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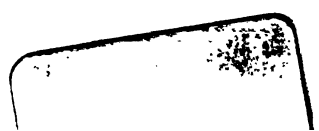
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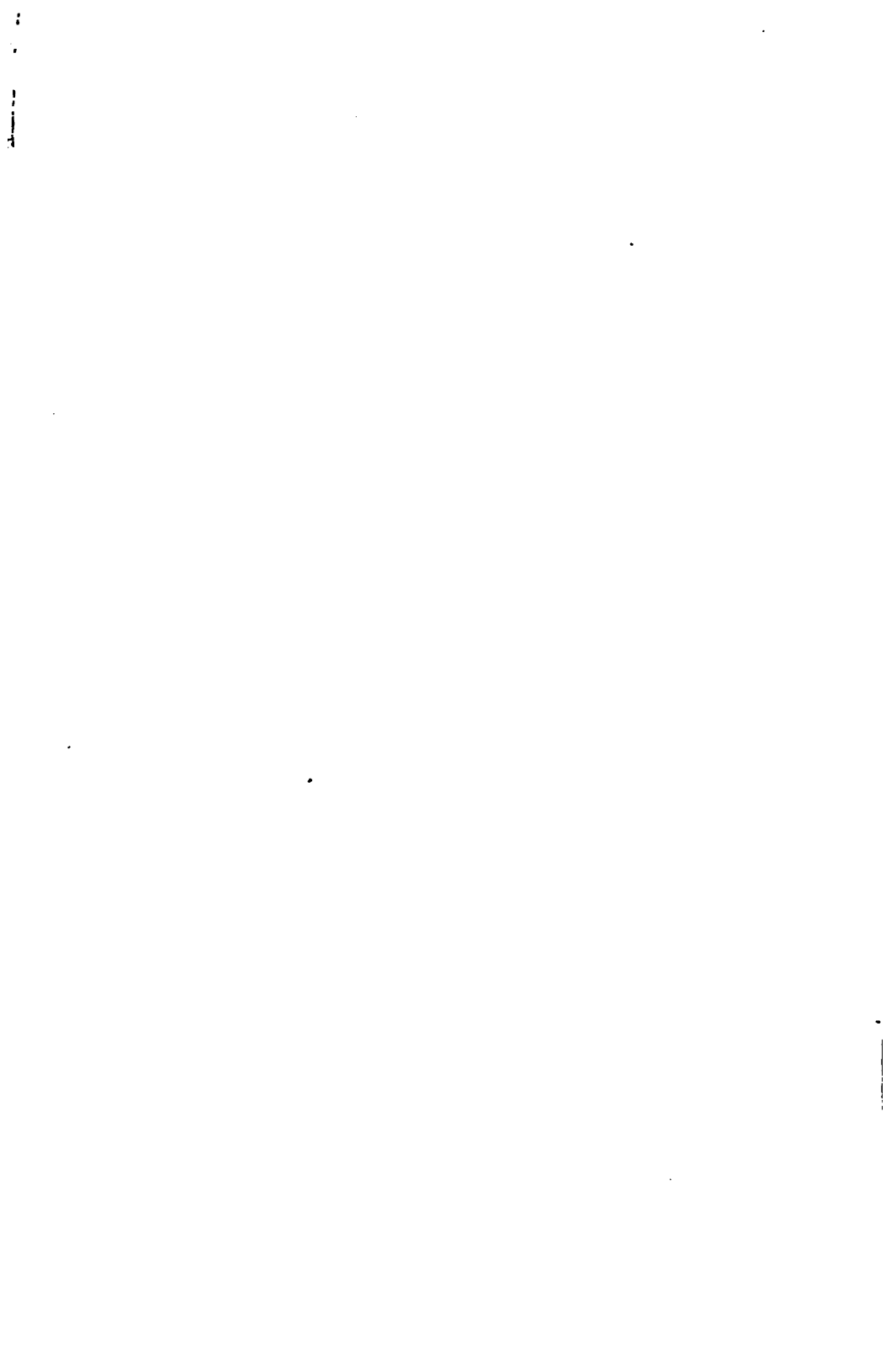


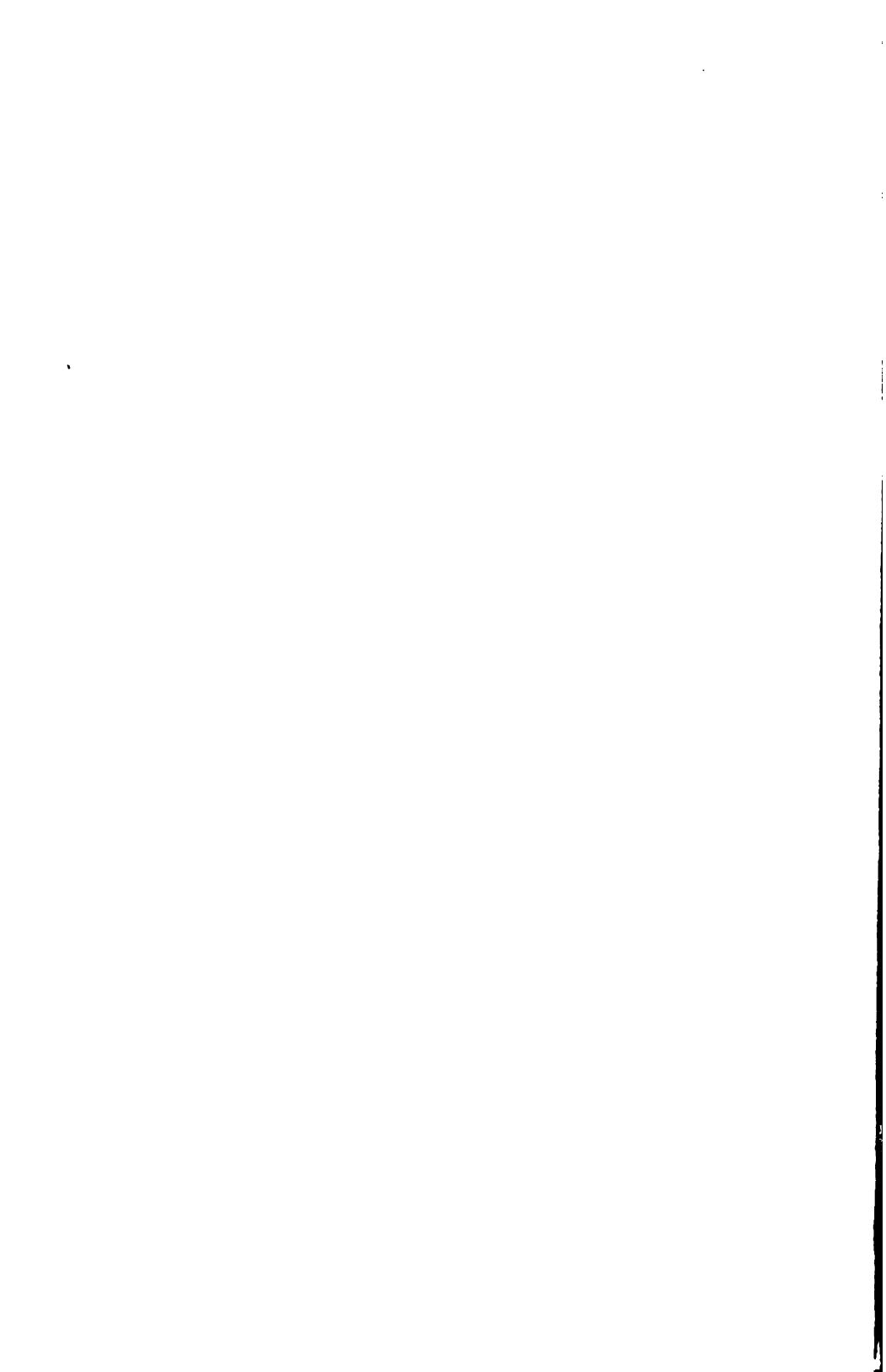
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THROUGH FIVE REPUBLICS







Frontispiece

"EMBLEM OF PEACE"

Statue of Christ the Redeemer (Christo Redentor). This superb monument is erected on the summit of the Andean Pass, and commemorates the conclusion of Peace and the Disarmament Treaty between the Republics of Argentina and Chile. Altitude : 3900 metres (12,796 feet) ; 177 kilometres (100 miles) from Mendoza

**THROUGH
FIVE REPUBLICS
(OF SOUTH AMERICA)**

**A CRITICAL DESCRIPTION OF ARGENTINA, BRAZIL,
CHILE, URUGUAY AND VENEZUELA IN 1905**

BY

PERCY F. MARTIN, F.R.G.S.

WITH 128 ILLUSTRATIONS AND 3 MAPS

**NEW YORK: DODD, MEAD AND COMPANY
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PREFACE

*Books cannot always please, however good;
Minds are not ever craving for their food.'*

CRABBE.

ALTHOUGH I have been a continual traveller for some ten years, and during that time have been four times round the world, I have never until now written a book.

This must not be assumed as evidence of any great self-denial upon my part; I have merely not had the inclination. I do not think that the *cacoëthes scribendi* is overmuch developed in me, principally because, being a journalist by profession, I have always had as much actual writing to do as I could conveniently manage.

My object in giving this book to the world is twofold. First, I believe it is timely, in view of the enormous advances made by the South American Republics of late years, and the amount of British capital invested therein. Secondly, I have in my journalistic capacity been enabled to gather much information of value, which I have found no opportunity for utilizing in the newspapers I have represented, but which, accompanied by illustrations and somewhat fuller descriptions, should be acceptable as a critical account of the countries visited. Hence this modest effort.

I do not wish to pose as an Aristarchos of Byzantium, neither do I desire to be classed as a Zoilus. I have honestly endeavoured to describe things as I have found them, 'nothing extenuating nor setting down aught in malice.' My criticisms may be harsh and my views insular and even distorted; yet they are honest and sincere, and, at least, not unduly premature, since I have taken three years to study and consider these Republics

of the South before venturing to record my opinions concerning them.

Some dreamers have conceived the possibility of a United South America, an ideal Nation composed of the ten or twelve independent States forming Latin-America. The suggestion, emanating from those who themselves are living in a state of perpetual agitation and discontent, can only be characterized as the chimerical aspirations of individuals mentally affected by their surroundings. Even the most ordinary combination, to say nothing of a binding compact, among two or more of the Republics has been recognised as an impossibility by those who really know the countries and the peoples who inhabit them. A political alliance between Argentina, Chile, and Brazil has been tried, but advanced little further than the initiatory stage, and that being abandoned, both Argentina and Chile at once commenced to increase their navies.

The Monte Video Congress, surrounded with as much solemnity and conducted with as much decorum as the Peace Meeting between the Russian and Japanese Envoys in August last, succeeded merely in showing how widely apart these American Republics really are, and how impossible is any basis of community of interests among them. Wherein could any union take place? In several directions, firstly as a common coinage; secondly, a common basis of port dues, of Customs, and of sanitary regulations; thirdly, an international system of railways. Upon the last point alone have I observed any disposition to come to an arrangement, and even that is scarcely within measurable distance of acceptance. At the present time each Republic has its own system and its own gauges, which neither one of them wishes to alter. In conversation one day with Dr. Lauro Müller, the Minister of Railways in Brazil, he indulged in a rhapsodic review of the time when the iron horse would career merrily through the country—from Pará, in the extreme north, to the Straits of Magellan in the south, passing through Rio to Monte Video, and thence by means of branches to Lima and Callao on the west. I reminded his Excellency of the simple but pertinent fact that the majority of the Brazilian railways were of a totally different gauge to those of Uruguay, while those of Uruguay differed materially

from those of the Argentine, and all three, again, were unlike those of the railways of Chile. 'Ah, yes, that is so,' reflected the Minister; 'but,' he added, 'the Brazilian gauge will, of course, be accepted as the standard gauge.' That is typical of the South American mind. 'Concessions—ah, yes, by all means; but it is you who must make them.'

I believe some simple-minded American millionaire—I am told that simple-minded millionaires are somewhat uncommon—offered a prize of \$5,000 (£1,000) for the best plan for uniting North and South America by railway. I do not know how many plans were sent in or how many ranked as 'best,' but the prize remains unallotted to-day. Mr. Blaine, the famous Secretary of State for the United States, once formulated an idea of this kind, and even induced Congress to vote \$300,000 (£60,000) for the purpose of getting out plans and estimates. One other Republic of North America (Mexico) endorsed the scheme; but although the United States despatched a special mission to the South American States to see what could be done, not one of them 'caught on.' And yet this was one of the most ordinary and most feasible of propositions. Surely it will never be realized.

Of all the desirable international agreements, there is no question that Arbitration would prove the most valuable and noble. I mean real, solemn, honest Arbitration, and not the farce which has been enacted so often in Europe and elsewhere during the past decade and longer. Force has proved the undoing of most of the South American States, especially the smaller ones. Would reason and justice have been thrown away upon them had these been tried as a preliminary? It is true that war has settled their various disputes for the time being, but has it not left behind it an indelible and undying feeling of hatred and an unquenchable desire for revenge? The first essential of Arbitration, however, is that those nations which adopt it should respect its decisions. But when we see treaties and solemn undertakings flagrantly broken, as was the case with Russia in Manchuria, how can we place any reliance upon Arbitration awards? They will be observed just as long as, and not a moment longer than, it suits the purposes of either or both parties. The argument that Arbitration should be com-

pulsory is ridiculous. You cannot compel good faith upon the part of an unwilling party to an agreement, and how and where can a satisfactory arbitrator be found, acceptable to both parties, when one of them objects to Arbitration at all? Even the preliminaries upon which he should work would never be agreed to by both contestants. Compulsory Arbitration, therefore, is out of the question. Much as we should all like to see war, and especially internecine war, as carried on in South America, abolished for ever, it is abundantly clear that Arbitration never can and never will supersede it. Even supposing the state of International Law were such as to enable the Nations to draw inspiration and guidance from it, who is to guarantee—who *can* guarantee—that the award would be adhered to?

Then, again, Arbitration is only possible between Nations of equal strength. To talk of the United States of America, for instance, arbitrating with Venezuela or Colombia is like the cat and mouse discussing terms. Need one point, either, to the instance of the United States ignoring the Behring Sea Award as an argument to prove that even when the nations are of equal strength they do not carry out their contracts? I admit that Arbitration would be more tenable—were it possible at all—between the States of South America, the majority of which speak a common language, practise a common religion, and are on the same level of culture, more or less, than would be feasible between different and separated States; but until a new Cæsar springs up and takes the matter in hand, I see little or no chance of that ideal Latin Union which has been promised.

And yet it has been said that where national interests clash identity of language merely aggravates a crisis by enabling each country to see the extreme view of fanatical judges on the other side, there being no merciful veil of ignorance between them. A case in point is afforded by the various German-speaking peoples of Switzerland and Austria leaving the German *Bund*, which only external danger has hitherto kept together. Then there is the case of the United States and Canada. Can any bond of 'union' be said to exist between them?

In the following chapters I have endeavoured to show how the different South American Republics are carried on by their

respective Governments, and after my readers have perused these pages—if I may hope that they will—they can form an accurate idea of the possibilities which exist of reconciling the various dispositions, aims, aspirations, and economic conditions under one supreme Government-head.

The question of disarmament of the South American States has often been mooted, and a commencement was made when Argentina and Chile sold their Navies as the result of King Edward's Award in connection with their frontier disputes. But both Republics have, during the past few months, passed special credits in Congress to build new Navies. If needed, here is yet another glaring proof of how little value can be placed upon Arbitration Awards, or, at least, upon the manner in which they are observed. For my own part, I do not believe that disarmament would be either possible or desirable for the different Republics of South America. For one thing, they would be unable to maintain order within their own borders; secondly, they would all be placed upon a common level of inferiority below other nations; and, thirdly, they would have to stand the bullying and browbeating of the United States of America whenever a question of international importance—such as that recently decided by the Anglo-Venezuelan Arbitration Commission—arose. If a Latin Union be unfeasible, general disarmament is utterly impossible.

How difficult it becomes to assume that finality will ever be reached in South American revolts against existing authority is seen by glancing at the small list of Revolutions which have taken place during little more than half a century, namely, from 1840 to 1905. Here it is:

- 1840. Civil war in Buenos Aires; rebellion in Brazil.
- 1841. Fighting in La Paz, Bolivia.
- 1842-47. War between Buenos Aires Province and Uruguay.
- 1848. Revolution in Bolivia.
- 1849-51. Fighting in Uruguay.
- 1852-53. Civil war in Buenos Aires.
- 1854. Revolution in Peru.
- 1855-56. War between Brazil and Paraguay.
- 1857. Revolt in Bolivia.
- 1858. Insurrection in Peru.
- 1859. Revolt in Buenos Aires Province.
- 1860. War between Brazil and Paraguay continued.

1861. Revolt in Bolivia ; insurrection at Buenos Aires.
 1862-63. War between Brazil and Paraguay continued.
 1864. Paraguay at war with Brazil, Argentina, and Uruguay.
 1865-66. Revolution in Bolivia.
 1867-69. Coalition war against Paraguay continued.
 1870. Civil war in Paraguay.
 1871. Revolution in Bolivia.
 1872-73. Civil war in Paraguay.
 1874. Revolution in Argentina.
 1875-78. Civil war in Uruguay.
 1879. War between Bolivia and Chile.
 1880. Civil war in Argentina.
 1881. War between Chile and Peru.
 1882-84. War between Chile and Bolivia continued.
 1885. Civil war in Colombia.
 1886-88. Civil war in Uruguay.
 1889. Revolution in Brazil ; Republic established.
 1889. Revolution in Venezuela.
 1890. Revolution in Argentina.
 1891. Revolt in Brazil.
 1892. Civil war in Uruguay.
 1893. Civil war in Brazil.
 1893. Revolution in Buenos Aires and Santa Fé.
 1894. Revolution in Peru.
 1895. Revolution in Colombia.
 1895. Revolution in Venezuela.
 1896. Civil war in Uruguay.
 1897. Revolution in Brazil.
 1898. Revolutions in Peru and Uruguay.
 1899. Revolt in Bolivia (La Paz).
 1900-02. Revolution in Colombia.
 1903. Revolution in Panama ; independent Republic established.
 1904. Revolution in Monte Video ; trouble in Peru and Brazil.
 1905 (February). Revolution in Argentina, Buenos Aires, Mendoza,
 Rosario and Córdoba being concerned.
 1905 (August). Attempt to assassinate President Quintana.

It is to be observed with much regret that for a period of fifty years there has not been one year of undisturbed peace in South America. Only an empty Treasury and the process of exhaustion seems to have any effect, and then only to occasion a temporary lull.

From some of the statistics which I shall give—and statistics, however uninteresting in themselves, convey more real knowledge than any amount of argument—it will be recognised that the South American Republics have made some strides towards

attaining a more perfect condition of things—social, moral, and economic. Unfortunately, incompetency, dishonesty, and corruption are not yet abandoned by some of the official classes. These I have attempted to identify, and have not hesitated to condemn where detected or suspected. I do not anticipate a pleasurable reception of my candour among these particular sections of my readers, but I accept full responsibility for such opinions. It is said that the South American Republican Governments, while caring nothing for the opinions of the foreigners in their midst, are particularly susceptible to those criticisms emanating from abroad. If this be so, then I would assure my South American readers that my views have been expressed entirely as a friend of the countries mentioned, and are intended in perfect good faith. I believe firmly in a bright future for South America—especially for Argentina and Chile; but much remains to be effected by these Republics themselves before the abiding respect and confidence of the rest of the world can be regarded as earned.

For some of the special photos which this volume contains I am indebted to, among others, Mr. Edward C. Benest, Joint Manager of the Rio City Improvements Company; Mr. Hugh Stenhouse, Manager of the Santos Improvements Company, Limited; Mr. Frank Henderson, late General Manager of the Buenos Aires Great Southern Railway; Mr. T. Lee C. Pilditch, Secretary of the La Guayra and Caracas Railway Company, Limited; Mr. H. O. Tubby, of the Central Uruguay Railway Company of Monte Video; Mr. Frank Hudson, General Manager of the Central Uruguay Railway; Mr. William Speers, General Manager of the São Paulo Railway Company; Mr. J. Percy Clarke, General Manager of the Leopoldina Railway Company; Mr. Allan Darton, General Manager of the Midland of Uruguay Railway Company; Mr. A. H. A. Knox-Little, General Manager of the Great Western of Brazil Railway; Mr. David Simson, General Manager of the Buenos Aires Western Railway; Sir George Whitehouse, Chief Engineer of the Buenos Aires and Rosario Railway Company; Mr. Hemulth Martin, of Fray Bentos, Uruguay; Señor Augusto Streich, Mendoza, Argentina; Mr. T. H. Evans, Secretary of the La Guayra Harbour Corporation; Mr. Oliver

Budge, General Manager of the East Argentine Railway; The Lemco and Oxo Company, Limited; Mr. H. C. Allen, London Manager of the Buenos Aires Great Southern Railway; Mr. W. J. Martin, Manager of the Rosario Waterworks Company, Limited; Mr. A. Unwin, Manager of the Rosario Electric Company, Limited; and Mr. Spencer, of Valparaiso, Chile. Several pictures are from my own camera.

LONDON,

September, 1905.

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PART I

THE ARGENTINE

CHAPTER I

Great Argentina—The progress of the Republic—A brilliant future—Provinces and Territories—Capitals and their populations—City of Buenos Aires—Astonishing growth in shipping—Beauties of the city—Public buildings—Hotels at Buenos Aires : the Grand, Royal, Britannia, and Phœnix—Want of good Suburban hotel—An opportunity for an English Company

AMONG the Britishers who are settled in the Argentine some are frequently heard to express regret that the country does not belong to England. The fact seems to be lost sight of that at one time it nearly did, when General Beresford took Buenos Aires in 1806 and lost it again a year afterwards.

After the country had been discovered and rediscovered, and was finally stolen, it was generously bestowed by the Pope upon those pious pirates the Spanish and Portuguese. That both Spain and Portugal were deprived of their possessions by the act and deed of their own sons was, perhaps, only poetic justice.

Of the original inhabitants of South America there are but few traces left; civilization and Christianity have done their work, and the red man has been practically wiped out of existence. In Brazil, at least, his successor is a decidedly inferior being. History does not chronicle what the original 'Brazilian' was called in those days; he may have been as objectionable as most savages, but the present race who inhabit that rich but unprogressive country are certainly neither morally nor intellectually very much better.

The Argentine can show a far more attractive race of people, both physically and mentally, while Chile and Uruguay are also more fortunate in the character and appearance of their people. The fine old Spanish blood can still be traced in the inhabitants of these States, as well as those of Venezuela, and something—I may say, perhaps, a good deal—of the Hidalgo's native courtesy and dignity of manner are still met with in the Spanish-

American Republics. In Brazil, however, the habits of the Indian, combined with the contaminating influence of much bastard blood, are too pronounced to render the inhabitants in any way agreeable or attractive.

When people talk of emigrating to South America nowadays they are usually thinking of Argentina, and in the minds of ninety-nine out of a hundred, Argentina means to them 'Buenos Aires.'

Argentina, of all the South American Republics, seems to have become the Mecca of Britishers. While Englishmen, Scotchmen, and Irishmen are found in fair numbers all over the South American continent, they are more numerous in the Argentine Republic than anywhere else. It may be said with truth that while without the enterprise of the Spaniard there would probably be no Argentina, deprived of the brains and the money of the Britisher this Republic would be no better off than its sister States, instead of outrunning them as she does in population, in wealth, in enterprise, and in financial resources.

In spite of the enormous advance which the Republic has made within the last ten years, the most cautious critic would not hesitate to aver that Argentina has but just entered upon the threshold of her greatness. The next generation is destined to see as great a rate of progress in this country's trade as the past twenty years have witnessed. Unquestionably the scope exists, and no one who has had any experience of the shrewd common-sense of the cosmopolitan commercial population, their unrestricted enterprise, combined with the abundant natural wealth of the country generally, can for a moment doubt that this scope is certain to be made use of to the fullest extent. The principal requirements most needful are increased population, still more British stamina, greater native steadiness, and a more permanent stability of Government. I believe that all these *desiderata* are likely to be gained in course of time.

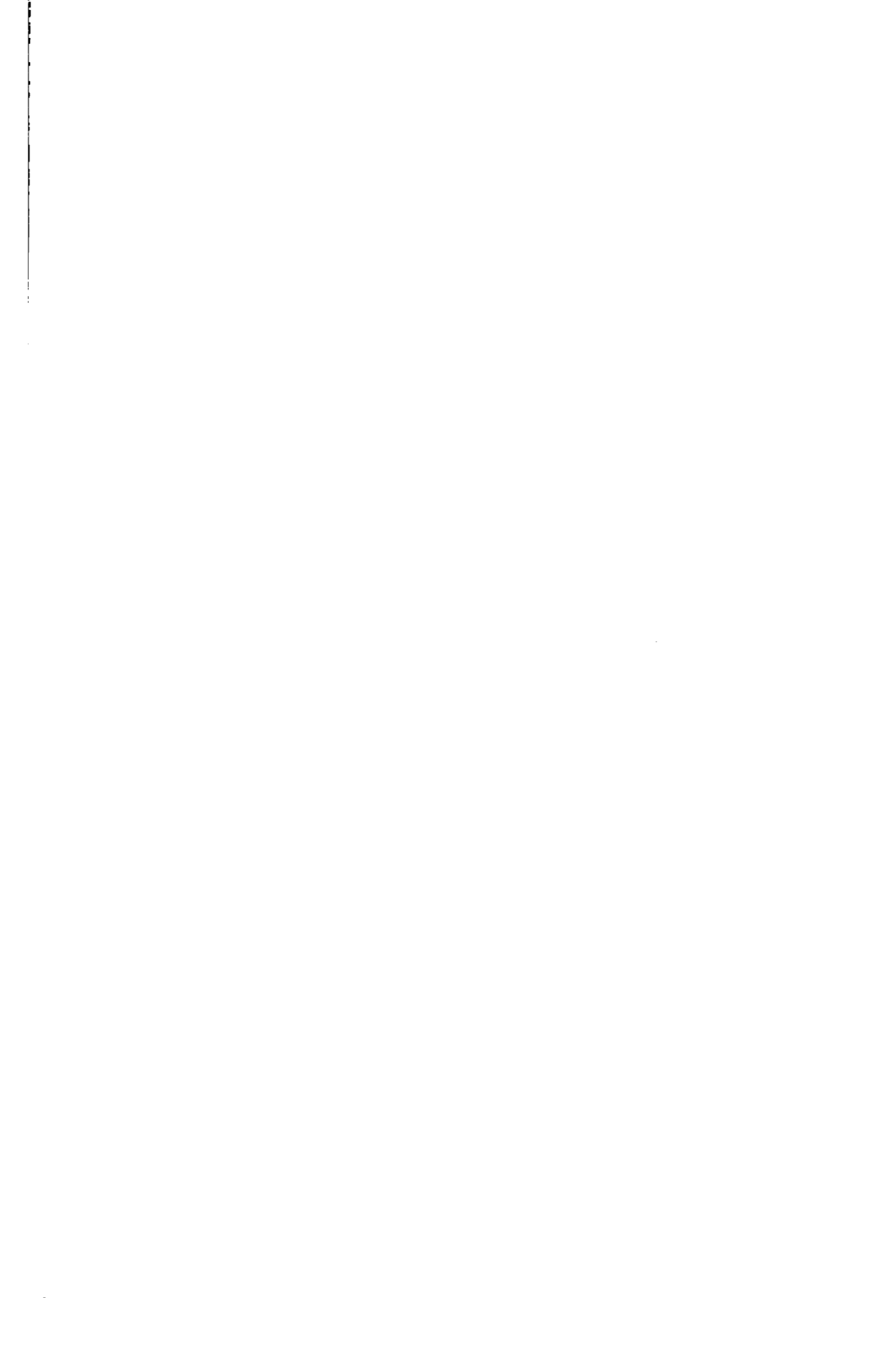
It is nothing less than marvellous to remember that barely twenty years ago arrivals at Buenos Aires by sea were rowed ashore in small boats; that the capital was merely a collection of more or less mean-looking houses, many of which remain to-day as evidence, possessing not one public edifice of any importance, and a total population of perhaps 40,000 souls; whereas to-day there are no fewer than eight to nine miles of docks, several hundreds of miles of well-paved streets, with a service of electric tramways equal to any to be found in the Old World or the New, about thirty flourishing banks, and as many as twenty-five different insurance offices doing business running into many millions annually; public and private buildings which for stateliness and convenience compare with any to be found



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PICTORIAL ARGENTINA

Buenos Aires, the Plaza Victoria showing Cathedral



in Paris or Vienna; and a busy, thriving population, variously estimated at from 800,000 to 1,000,000 souls—this is the picture of Argentina's Capital to-day. Who can say when and where its march onwards will be stayed?

But Buenos Aires is not the Argentine. The Republic possesses other cities, such as Córdoba, Mendoza, Rosario, La Plata, all of which have made, if not equal advancement, at least a vigorous march forward during the same period. There are fourteen Provinces of the Republic and ten Territories. The following approximate population of the Capitals of such provinces and territories may be of interest:

Provinces and Territories.	Area square kilometres 1903.	Population.			
		National Census—		National Demographic Bureau 1902.	
		In 1869.	In 1895.		
Buenos Aires	Federal district ...	186	187,346	663,854	865,490
"	Province	305,121	307,761	921,168	1,208,937
Santa Fé	"	131,906	89,117	397,188	576,385
Entre Ríos	"	74,571	134,271	292,019	354,596
Corrientes	"	84,402	129,023	239,618	288,426
Córdoba	"	161,036	210,508	351,223	436,859
San Luis	"	73,923	53,294	81,450	93,976
Santiago del Estero	"	103,016	132,898	161,502	184,194
Mendoza	"	146,378	65,413	116,136	152,720
San Juan	"	87,345	60,319	84,251	97,803
La Rioja	"	89,498	48,746	69,502	79,442
Catamarca	"	123,138	79,962	90,161	100,613
Tucumán	"	23,124	108,953	215,742	251,857
Salta	"	161,099	88,933	118,015	132,613
Jujuy	"	49,162	40,379	49,713	54,287
Misiones	Territory	29,229	93,291	33,163	36,286
Formosa	"	107,258		4,829	5,844
Chaco	"	136,635		10,422	12,958
Pampa	"	145,907		25,914	48,391
Neuquén	"	109,703		14,517	16,874
Río Negro	"	196,695		9,241	14,947
Chubut	"	242,039		3,748	4,911
Santa Cruz	"	282,750		1,058	1,631
Tierra del Fuego	"	21,499		—	477
Los Andes	"	64,900		—	—
		2,950,520	1,830,214	3,954,911	5,022,248

Provinces and Territories.	Capitals.	Population.
Provinces :		
Buenos Aires.	La Plata.	50,000
Santa Fé.	Santa Fé.	32,000
Entre Ríos.	Paraná.	26,000
Corrientes.	Corrientes.	17,000
Córdoba.	Córdoba.	55,000
San Luis.	San Luis.	10,000
Santiago del Estero.	Santiago del Estero.	10,000
Mendoza.	Mendoza.	30,000
San Juan.	San Juan.	11,000
La Rioja.	La Rioja.	7,000
Catamarca.	Catamarca.	8,000
Tucumán.	Tucumán.	36,000
Salta.	Salta.	17,000
Jujuy.	Jujuy.	4,000
Territories :		
Misiones.	Posadas.	5,000
Formosa.	Formosa.	2,000
Chaco.	Resistencia.	2,000
Pampa.	Gral. Acha.	2,000
Neuquén.	Chos-Malal.	600
Río Negro.	Viedma.	1,500
Chubut.	Rawson.	700
Santa Cruz.	Puerto Gallegos.	200
Tierra del Fuego.	Ushuaia.	300
Los Andes.	S. Ant. de los Cobres.	200

To give anything approaching a detailed description of every province, territory, and capital in the Argentine Republic would necessitate a separate volume in itself, and much as I should like to do full justice to this Republic by describing singly each department, town, and distinctive feature, it is obviously impossible to do more than cast a passing glance, recollecting the prescribed limits of this volume. Five or ten years hence the Argentine will have established an entirely new record, and perhaps it may be my fortunate destiny to chronicle it. In the meantime I must content myself with a brief description of such cities as I visited, and of those particular trades, industries, and undertakings into which I have personally inquired. Having landed at the City of Buenos Aires, it is only right, perhaps, that I should commence my review of the Argentine with a description of that most remarkable place.

‘What do you think of Buenos Aires?’ That is the first question—and the last—with which a new arrival in Argentina is greeted. The Argentinos are uncommonly proud of their capital, and well they may be, for one more remarkable, more rapidly created, does not exist on the two continents. The

most astonishing feature is the transition which has come about in so short a space of time—almost as miraculous as the ‘Palace of Aladdin,’ which, by-the-by, did not, as Sir Walter Scott observes, ‘vanish into air,’ but was transported to another place. Buenos Aires ranks as tenth in the cities of the world, and really comes next to Paris as a Latin centre. The population to-day cannot be much less than 850,000, whereas in 1869 it stood at 177,787. There are seventy-two parks, many more beautiful than any to be seen in Europe; it has thirty-four markets, several larger than Covent Garden; it has the best system of electric trams in the New World; telephones, water-works, public gardens, monuments, churches, hospitals, and many excellent institutions, with some of which I hope to deal later on. There are no fewer than 190 different newspapers and periodicals published in this extraordinary city, of which 154 are in Spanish, 14 Italian, 6 English, and 1 Basque. French, Russian, German, and Scandinavian residents have also their representative organs.

Statistics are usually deadly dull, but sometimes they are interesting or, at least, instructive. The following may, I hope, be so considered :

	Tons.
In 1880 port tonnage (vessels arriving and departing) stood at	644,570
In 1902 " " " "	8,902,605
In 1905 " " " "	11,120,000

The above increase is at the rate of 58 per cent. from 1880 to 1902, and about 61 per cent. from 1880 to 1905. What other country, either in the New World or the Old, can make a showing anything compared to this?

The English interest in Buenos Aires is considerable, there being some 30,000 Britishers, I am told, and one may hear the English tongue in very free use, many of the keepers of shops both speaking the language and displaying signs in English.

As is not unusual on the European continent, some of the announcements to the effect that ‘English is spoken here’ are pure deceptions, only intended to lure the unwary passer-by, who is, once entrapped, informed by a glib Argentine assistant that the English-speaking gentleman ‘has just gone out,’ and ‘what can he do for you?’

To say that the English community are popular either with the Argentinos or their own compatriots would not be absolutely true. The English merchant abroad, as at home, has a manner peculiarly his own when dealing with business connections, and this manner, usually as objectionable as it is unnecessary, is displayed for the edification of his compatriots, and is no doubt intended to impress—as it does, but not in the manner aimed at.

I have observed that British officials are the most agreeable and put on less 'side' when occupying positions in foreign countries and where but a few of their compatriots are to be found. Then they apparently drop the affectation and coldness which they so dearly love to assume, and are unfeignedly pleased to see and converse with their countrymen. In Buenos Aires, however, Englishmen are too numerous to excite any particular amount of pleasure or surprise, and they are consequently considered of no more account than the Argentinos themselves.

Undoubtedly a lengthy residence in the Argentine Capital seems to conduce to this display of unfriendliness and cliquism, and it is quite possible to understand the feeling of loneliness and friendlessness of which so many newcomers, and especially young men—even those provided with letters of introduction—complain. If they are unpopular with their own compatriots, for the reasons mentioned, how much more are the English disliked by the warm-hearted, unaffected Argentinos? The perversity which the average Englishman or Englishwoman shows for incurring hostility, arising simply from the adoption of this unfriendly and silly attitude, is painfully apparent in Buenos Aires and throughout Argentina generally. Exceptions there are, of course, and many notable ones, too; but taking the foreign element in the Argentine Republic generally, perhaps the most cordially disliked—even if they are in business circles the most successful—are unquestionably the English.

Next to the British come the Germans in point of importance, and who are established here in full force. They sustain their world-wide reputation for thriftiness and enterprise, and some of the finest establishments bear Teutonic names. Like the members of their nation all the world over, the German residents of Buenos Aires display little inclination to go beyond their own immediate circles, and these are both exclusive and severe. There is a German Church, and, of course, a German newspaper, while the German Bank of the Argentine Republic probably does as sound and profitable a business as any in South America.

Attractive as Argentina's Capital is from an architectural point of view, it possesses scarcely one really pleasant or thoroughly comfortable hotel. In a city claiming something over 850,000 inhabitants, possessing much individual and collective wealth, and a situation almost unrivalled for sanitary perfection, it is certainly remarkable that visitors and residents alike should find so little facility in securing accommodation.

Buenos Aires has a round dozen of what are claimed to be 'first-class' hotels, but, whereas some of them are well managed and all are well patronized, they are badly situated. There is



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PICTORIAL ARGENTINA

The Sands at Mar-del-Plata, a favourite seaside resort, twelve hours' journey from Buenos Aires, served by the Buenos Aires Great Southern Railway

no 'up-town' and 'down-town,' or 'East End' and 'West End.' There is no special social quarter, unless it be the suburbs of Palermo and Belgrano, Flores and Quilmes, which, attractive as they undoubtedly are, possess no hotel and but few boarding-houses. Thus, visitors have to pass their temporary existence in hotels which are one and all situated in the centre of the City, surrounded everywhere by other houses at inconveniently close quarters, subject to all the din and uproar arising from the streets in the shape of rushing electric tramcars with clanging bells, yelling news-boys, clamorous street-sellers, and the muffled roar of many voices.

Unless one occupies a room at the back of the house, overlooking dismal brick walls and unsightly courtyards, it is impossible to avoid these nerve-prostrating noises; and since nearly all the hotels occupy corner blocks, one has to encounter and endure these sounds proceeding from two—and sometimes from four—sides at once. I refer elsewhere to some of the choice noises with which Buenos Aires is afflicted, and which have earned for it the sobriquet of 'The City of Dreadful Day.'

The Grand Hotel, but for its unfortunate position in a narrow thoroughfare named Florida, would no doubt be entitled to its claim of being 'the best hotel in Buenos Aires.' It is certainly the most expensive, which by some may be considered something in its favour. The charges at the Grand Hotel range from 12 to 20 dollars a day, say 22s. to 36s. 8d., which, considering the accommodation offered and the disadvantages arising from the hotel's situation, are decidedly too high. Nevertheless the hotel is generally full. The building is tall and narrow, with but little depth, and much money has been expended upon its outside mural decorations. The rooms are mostly small and carry too much furniture, which in a hot country like the Argentine contributes a sensation of stuffiness. The *cuisine* is good, and the attendance equally so. The Florida is the only street in the City, besides the Avenida de Mayo, down which tramcars are forbidden to run.

In point of succession, I suppose the Royal Hotel is entitled to rank as the second-best hotel in the City. Here, again, however, position counts for much and against it. The building, a large one with a fine subterranean Restaurant attached, occupies the corner of the Corrientes and the Esmeralda thoroughfares, up and down which tramcars pass the whole day and for the greater part of the night. Street vendors of fruit, fish, vegetables, and other commodities would appear to have an especial affection for these two streets, and their raucous cries awake the echoes from early morn to long past dewy eve. The occupants of the front-rooms have the full benefit of these, and many a groan and subdued curse have

doubtless been wrung from the restless sleeper who, hour after hour, has to lie and listen to the din of the streets below him, and which no effort or device can shut out.

There are several large and comfortably appointed inside rooms at the Royal, opening off a kind of 'patio,' or square hall, but these are dark and ill-ventilated, unless one sleeps and lives with the doors fully opened, there being no half-windows. The walls, also, are thin, and all the rooms are built with communicating doors—the custom in every hotel in Buenos Aires—so that the conversations proceeding in one room can readily be heard in the next.

The *cuisine* of the Royal Hotel is not good. The proprietor, who is a German, feeds his guests liberally, but not daintily, and his charges are not based upon strict economy. The usual rates at this hostelry are 8 or 10 dollars (say 14s. 8d. to 18s. 4d.) a day, but rooms can be obtained at from 6 to 7 dollars, if position and size are of no consequence,

Another hotel is the Britannia, located in a busy street, and, again, the position is an unfortunate one, the thoroughfare being very narrow, very congested for vehicular traffic, and down which tramcars are continually rushing at full speed. The rooms are small but well furnished, and the *cuisine* is moderately good. The Phoenix is mostly favoured by English families, since it is more quietly located at the least busy end of the San Martin. The house has a rather depressing appearance, and the entrance is poor and mean.

The Provence is right in the City, again, and too near the running-yards of the Buenos Aires and Pacific Railway to be pleasant. It is in a narrow side-street, but not so narrow that an electric tramcar cannot pass down it at frequent intervals with much roar and rumpus. A big hotel is being erected in the Calle 25 de Mayo, but as this is one of the noisiest of the many noisy thoroughfares in this modern Babel, future guests there will have some agreeable experiences to relate hereafter.

Indifferent as is the hotel accommodation available, the existing hostelries are extremely well patronized, for the simple and all-sufficient reason that people must go somewhere, and literally there is nowhere else to go. Upon the arrival of each mail steamer—and steamers come in three or four times a week from all parts of the world—a rush is made for rooms, and only a very few of the hotels find it necessary to employ touts. The proprietors are generally wealthy men, and this in spite of the heavy rentals and taxes which they are called upon to pay.

The individual who constructed a large building in a quiet and salubrious neighbourhood, such as that of Palermo or Belgrano, both of which are admirably served by three lines of

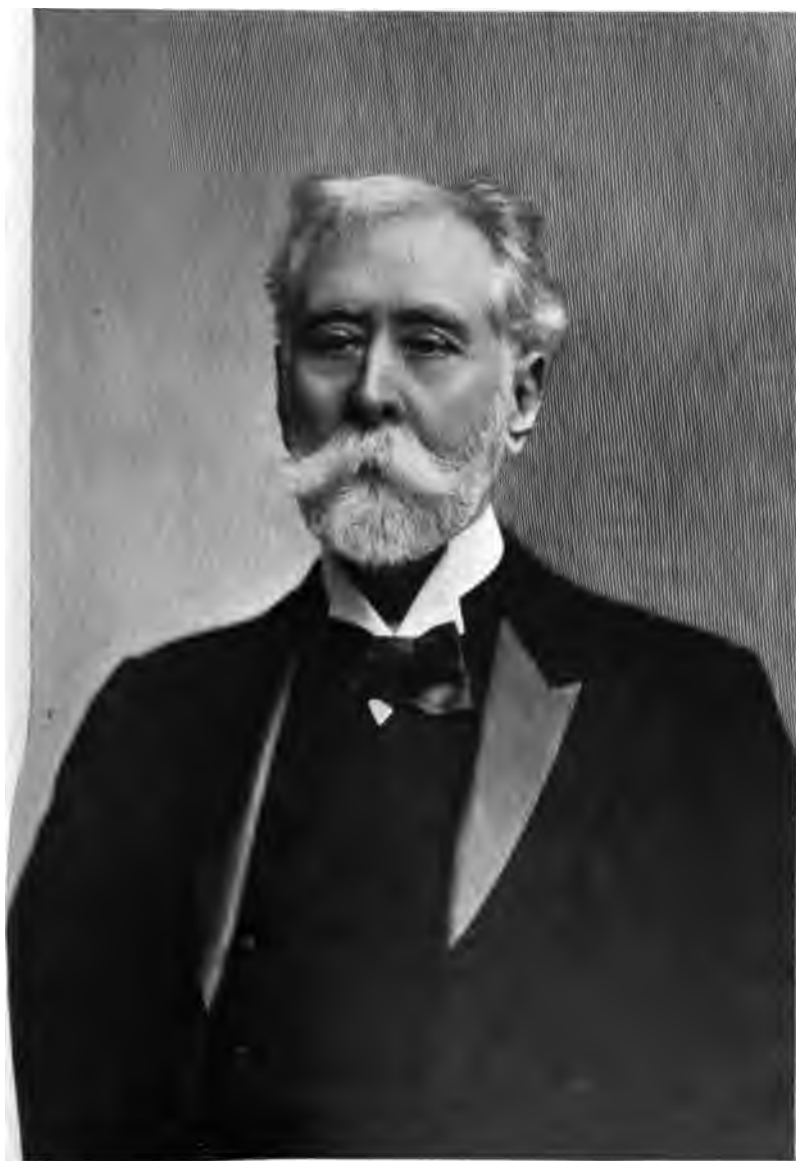
tramways and two railways, who conducted it upon the European system, who employed British servants, and who offered his patrons, besides a good *cuisine*, a large garden, croquet, tennis, and other open-air amusements, might charge almost any prices he liked with a certainty of getting them, and of finding his house always full. The continual increase in the number of arrivals at the Port of Buenos Aires and the frequent travelling that now takes place daily between the Capital and the large cities, such as Mendoza, Rosario, Córdoba, etc., demand that some such hotel shall be forthcoming. It will probably be undertaken in the end by some enterprising Teuton; but it is still open to an English *entrepreneur* or company to make a small fortune in the manner indicated.

CHAPTER II

Englishmen established in the Colonies and Argentina—Conditions of life—Attractions of Buenos Aires as a residential centre—Churches and institutions—St. John's—British Hospital: its record and reputation—British cemetery—Domestic servant question—Difficulties of employers—Taking and giving 'notice'—Hotel servants, male and female—Brazilians and Argentinos compared—Theatres and amusements—Clubs—The Strangers', English, and Jockey Club buildings—A marble palace—Mar-del-Plata, a popular resort

THE Argentine is one of the few countries in which are to be found Englishmen with employment who are satisfied with their lot and perfectly contented to remain where they are. In India, China, South Africa, and most of the British Colonies, no matter how beautiful their scenic attractions or many their social amusements, one encounters the same burning desire to fulfil one's contract as to time and then 'go home.' I have but seldom met a man—civil servant, employer of labour, or proprietor of a well-established business—who has evinced any desire to remain in his present position definitely. The one idea is to make sufficient money, then go home and remain there. 'Give me England and £500 a year, and you may take all the rest,' has often been said to me by men with whom I have come in contact in India and the Colonies.

In South America also the same idea predominates except in the Argentine Republic. There are many wealthy Englishmen established there to-day with their families, with no other desire than to abide where they are. They pay periodical visits to the 'old country,' but in the majority of the cases they are extremely pleased to come back to the land of their adoption, where all their interests are centred, and where they have formed new associations. Even the women members of their families are satisfied with their lot, and the charms of life, as understood in the capitals of Europe, apparently possess but scant attraction for them. Possibly a lengthy sojourn in a country blessed with such a superb climate as that of the Argentine unfits the average visitor for a complete change of temperature, such as he or she must be prepared to accept in Europe. Or it may be



HIS EXCELLENCY DR. MANUEL QUINTANA
President of the Republic of Argentina

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experience shows that all the so-called attractions and luxuries of life, hitherto almost the monopoly of European cities, can be attained as readily, if at greater cost, in the Argentine, where one can not only 'live,' but live comfortably.

The fact remains that many families which had left the Republic, as they intended and believed, finally, and with the view to settling permanently in the Motherland, have, after a few brief years, suddenly returned to the South, and have thereafter abandoned all idea of changing their *habitat* further. Year by year the Argentine becomes more habitable and more settled; while the exquisite climate already alluded to offers manifold compensations to those who cannot altogether forget that they are strangers in a strange land, and far away from the magic influence of the British Flag. The calm contentment with which our countrymen and countrywomen settle down in the new home is abundant testimony to the real charms of the country. Those who are born there are just as desirous of returning and remaining after the periodical visit to England, and which is deemed part of the desirable change of existence which everyone really needs, but few, perhaps, can manage to secure.

There are some very beautiful churches in Buenos Aires, although the Cathedral, built on the site of a chapel erected in 1580, cannot be considered as one of them. The exterior twelve Corinthian columns are the only portion really imposing. The churches of Santo Domingo, in the Calle Defensa; San Francisco, in the Calle Defensa and Alsina; the Merced, in the Calle Cangallo; San Ignacio, Calle Bolivar; Salvador, Calle Callao; San Miguel, Calle Piedad and Suipacha; San Juan, Calle Piedras; the Holy Cross, Calle Caridad; and the Redemptorist Chapel, in the Plaza Libertad, are all remarkable for the beauty of their interiors, and some for the number and adornments of their side-altars.

I am sorry to say the British Community are not united in the matter of religious worship, and the English Church of St. John, in Calle 25 Mayo, is very meagrely attended even on such days as Christmas, Easter, and Good Friday. This church seats 700 worshippers, and it has two pews for ship captains; but I never saw any occupy it. There is a Scotch Church in the Calle Piedras, an American Church in the Calle Corrientes, a German Lutheran Church, and a small but well-attended Synagogue.

One of the most admirable institutions in Buenos Aires is the British Hospital, which occupies a high and pleasant position just on the outskirts of the City. I went all over this building, and was much impressed with the solid comfort and even luxury of the wards, the scrupulous cleanliness of every-

thing, the air of general cheerfulness which permeated the whole place, and the devotion of the nursing staff. In conversation with some of the inmates, I learned how much they thought of the invariable kindness and patience of their attendants, speaking in glowing terms of the sympathetic care shown by the matron, Miss Heartnett, and the nurses generally.

Dr. John O'Connor, the head-surgeon, has made a reputation for skill far beyond the limits of the Argentine itself, and the Hospital is singularly fortunate in possessing so brilliant and accomplished a chief. While I was in the Argentine Dr. O'Connor performed an operation for partial paralysis which had earned the encomiums of the whole medical world, and still forms the subject of conversation among the British residents. Last year some 1,555 patients entered the Hospital, which, although termed 'British,' gives aid to every nationality, race, and creed that seeks assistance at its doors. It cured 987 of its cases, relieved 115, failed to cure in 6 cases only, and lost 64 from death. Over 26,000 patients have entered and left the British Hospital cured since first it opened its doors of mercy. It is an institution of which not alone the founders and supporters, but the entire Republic have reason to feel proud.

There are altogether some sixteen hospitals in Buenos Aires, and the annual cost of maintaining them does not amount to less than \$3,000,000, or, say, £280,000. The Government supports a large number of other hospitals, asylums, and foundling homes, while a mendicants' asylum, a girls' asylum, and one or two orphanages are also maintained out of the public funds.

The British Cemetery, in the Calle Victoria, is well kept up, and the Buenos Aires community generally pay a great deal of attention to the graves in the different cemeteries—the Ricoleta, about 13 acres in extent; the Southern Cemetery, about 12 acres, containing hundreds of corpses buried during the ravages of cholera in 1867 and yellow fever in 1871; and the Chacarita, an enormous place of 184 acres, which received thirty bodies daily during the awful scourge of 1890-1891. There is a Crematorium, and it has consumed since it was opened some 9,000 bodies.

The domestic servant question is as acute in Argentina as anywhere, and the bitter cry of the distracted housewife is loud in the land. In Buenos Aires and one or two of the larger cities, such as Rosario, Córdoba, etc., the obtaining of fairly good female servants is not altogether an impossibility. Here, however, higher wages have to be paid, and great deference offered to the delicate susceptibilities of the 'lady-helps,' for fear they should be unintentionally offended and depart without warning. The Argentine is, as a matter of fact, Mary Ann's Paradise.

Throughout the Republic the 'giving of notice' on either side is unobserved, and both employers and employees are free to part company without any ceremony beyond the payment of the wages due up to the day of separation. While this custom cuts both ways, and enables a mistress to dismiss at a moment's notice an incompetent or impertinent domestic, it likewise places a weapon in the hands of the servants, who are able to seriously inconvenience their employers by leaving them—as they frequently do—without any other kind of domestic help in the house.

Upon numerous occasions friends have apologized to me for being unable to ask me to dine at their houses, their servants having left them suddenly, and their successors not having been appointed. It is no uncommon occurrence for the entire staff to take umbrage at something of a trivial nature, or from sympathy with one another's outraged feelings, and march bodily from the house. They can by law demand wages up to the moment of their leaving, and they invariably take with them all the clothes which their employers have given them upon entering their service, and without which anything like a respectable appearance would be an impossibility. In the towns no servant needs a 'character.' Such a superfluity is neither asked for nor expected, and the mistress knows nothing whatever of the female she has under her roof, and sometimes is even in ignorance of her real name.

In the provinces things are even worse. It is exceedingly difficult to obtain servants at all, and those who do offer themselves are usually the worst of their kind. As a lady mentioned to me, no really respectable or competent servant need leave Buenos Aires for lack of employment, since the demand there is invariably largely in excess of the supply; when, therefore, servants come from the Capital and seek employment in the provinces there is cause for suspicion. But this does not mean that the applicants are rejected; on the contrary, they are pretty certain of employment, if only for a short period, but an extra sharp eye is kept on the silver spoons. My informant, a woman of many years experience in the country, and a house-keeper for almost a quarter of a century, further stated that three or four months might be considered a fairly long period for a servant to remain in the same situation. Upon innumerable occasions she had paid the train fare of her servants from long distances, and had provided them with entirely new apparel; but they had left her without hesitation, and even without affording any definite reason. Very few experienced female domestics will consent to wear either a cap or an apron; but in the case of very young girls these 'badges of servitude' are taken to more kindly, especially if they are smart-looking. In

some of the hotels in the Argentine I have seen girls of between fifteen and twenty flitting about the house decked out in pink and blue muslins, the skirts very full or trailing gracefully behind them, their heads surmounted by quite smart 'creations' in lace or ribbons; and I have watched them coquettishly toying with a broom or flicking aimlessly with a duster here or there, the while indulging in girlish chatter at the top of their voices or singing merry snatches of song, as if there were no such thing as sleeping visitors to be considered nor any kind of decorum to be observed.

The male domestics, except in the cities, where French, German, and Swiss waiters are fairly numerous, are as a rule remarkable neither for their attractive personal appearance nor their individual cleanliness. One meets these attendants slopping about in dirty slippers and dirtier shirt-sleeves, collarless, and innocent of the use of a hairbrush or of any recent soap-and-water application. At meal-time it is as well to keep one's glance as far removed as possible from the grimy fingers that are encountered, and also to avoid asking the owners of the digits to pass anything, such as the bread, or a spoon or fork, which necessitates personal contact with their hands. Unattractive as many of these male servants undoubtedly are, they compare favourably with the same class of man encountered in Brazil, where, in addition to their native filthiness, one has to submit to insolence of manner and absolute indifference in the matter of attention. The Brazilian is a surly as well as a dirty brute; the Argentine is merely a sloven.

Buenos Aires, unlike most other Argentine cities, is well provided with amusements and recreations of all kinds. As is usual with Latin races, both outdoor and indoor diversions are very popular, and, as the fortunate inhabitants of this part of the world can place something more than twenty-four hours' reliance upon the state of the weather, which we of the inhospitable Northern regions cannot, they are enabled to settle their *al fresco* entertainments months ahead with a certainty of being able to carry out their arrangements. Immediately after business hours everyone flocks to the beautiful Park of Palermo, and on any afternoon, but especially on Sundays and Feast Days, of which there are more than thirty in the course of the year, the place is crowded with carriages filled with showily dressed women and dandified men, the throng, slowly moving on account of its density, reminding one of Hyde Park on a day when Royalty is expected to pass by, or the Champs Elysées in the height of the season. The Botanical and Zoological Gardens are equally well patronized, being free to everyone. There are race meetings at Hurlingham (about thirty minutes' journey on the



PICTORIAL ARGENTINA

Buenos Aires, Calle Congallo, showing building containing Offices of the Buenos Aires Great Southern Railway New Local Committee

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railway), polo, tennis, and croquet to be had, and nowhere do 'fashion's brightest arts decoy' more successfully.

The Capital possesses a dozen theatres and music-halls, many of which can offer an excellent all-round entertainment. Buenos Aires is ever mindful of the fact that Adelina Patti, Sarah Bernhardt, and other world-famed 'stars' have deigned to shine upon them during their brilliant careers. It is true that the former vowed that she would not set foot in South America again—and she never has been since—but Sarah the Divine carried away with her so many pleasant impressions of the Argentine's attitude, and her pocket so full of the Argentine's dollars, that she returned there last September.

English touring companies have paid several visits to the Argentine, with more or less success. Latterly the Sass and Nelson Company completed a very profitable engagement.

Some ten years ago there were over fifty Clubs to be found in Buenos Aires alone. Probably there are no fewer to-day, for a more hospitable and sociable fraternity than that which exists in the Argentine and Uruguayan Capitals cannot be found. But, for the most part, the Clubs and their members keep to themselves, and do not intermingle with other Clubs and other members. The English, the German, and the Native Argentines all have their own buildings, and only occasionally do they come together other than in business.

The first English Club was a very modest little affair indeed. In 1811 reunions took place in the house of a Mrs. Taylor, widow of a Captain Taylor, well known to the British Community. In 1841 the Strangers' Club (Club de Residentes Estrangeros) was established, and had rooms in the Calle San Martin. The rooms are now in the Calle Bartolome Mitre, over the offices of some big insurance company. The Committee are very attentive and courteous to strangers, and afford them the use of the rooms for a month free of charge, if introduced by a Member. The apartments are exceedingly well planned and most comfortably furnished. There is a fine luncheon-room on an upper floor, but there are no bedrooms.

The English Club is of more recent formation, and no less comfortable. It is almost next-door to the Strangers' Club, in the same street. The rooms are smaller but perhaps cosier, and while there is no luncheon-room, there are half a dozen bedrooms available for Members and Honorary Members, who are well looked after by a caterer who thoroughly understands his business. Nearly all the leading Members of the British Community belong to either one of these Clubs, and many of them belong to both.

The Jockey Club owns a superb building of white stone, with a very imposing marble staircase and a delightful roof

garden. The style of building is almost too magnificent for the street in which it is situated, as this is narrow, and the elegant proportions of the structure, with its Corinthian columns and sculptured architraves, its mouldings and friezes, are consequently lost. The interior decorations of this palatial edifice would put the Carlton and the Junior Carlton to the blush, while the Constitutional Club in Northumberland Avenue has not a single room which would compare with the lowliest apartment of the Buenos Aires Jockey Club. Members and Honorary Members are made free of the Argentine Hippodrome, where first-class racing and other entertainments are held. Every hospitality, including the use of bedrooms if desired, is offered to Honorary Members at this Club. The *chef* of the Jockey Club is a master of his craft.

The English Literary Society, situated in the Calle Cangallo, was founded in 1876 by several British residents, among whom were the Rev. M. Smith, Mr. M. Forrester, Dr. Hiron, Messrs. Martin, Day, and others. The excellent library contains some 5,000 volumes, many the gifts of Members. There is a large public reading-room, where most of the London daily papers can be found, a number of magazines, and many of the latest novels and books of travel. There is a private room for writing and reading, and a music-room with an excellent piano. Mr. A. Holder, business representative of the *Review of the River Plate*, is an official of the Society, and shows every courtesy to strangers and visitors desirous of using its rooms. There are some 360 subscribers, including some ladies.

One of the greatest drawbacks to residence in Buenos Aires is the complete absence of any near resort where the heat and dust as well as the many unbearable odours of the city may be left behind and forgotten. The nearest seaside place is Mar-del-Plata; this is more than 250 miles away from Buenos Aires, and it takes a trifle of twelve hours to get there. Even then it has but few attractions to offer, being situated on a perfectly barren, treeless stretch of sands, as flat as a billiard-table. The town straggles unevenly along the curve of the prosaic-looking bay, and the bathing, for which many people go, is exceedingly dangerous. The one and only advantage of Mar-del-Plata is the invigorating air, which is certainly both delightful and exhilarating.

Perhaps the greatest attraction for the multitude is the *roulette*-table, which here flourishes as at Monte Carlo. During the season, which lasts from November 1 to April 1, some pretty high gambling goes on at the tables, and many a foolish young bank-clerk, who rushes down to Mar-del-Plata as his prototype at home makes for Margate or Brighton whenever a few days' holiday permit, leaves a year's salary behind him. During the

season the place receives some 11,000 or 12,000 visitors, but at ordinary times the population is less than 5,000. The hotels, of which there are two or three so-called 'first-class,' are extortionate in their charges, very indifferently conducted, and the number of furnished houses to be obtained very few indeed. Picnic-parties to Cape Corrientes and Laguna de los Padres are among the amusements, while latterly tennis tournaments and horse-racing have come into vogue; but, after all, it is the *roulette-table* which attracts the more numerous votaries, and really gives the *raison d'être* of Mar-del-Plata's continuous existence as a popular resort for the Argentinos.

CHAPTER III

The politics of Argentina—Electoral mispractices—Britishers and politics—Memorable services of Britishers—O'Higgins, Admiral Brown, Miller, etc.—Dr. Quintana, the President—Dr. Pellegrini and his manifesto—A strong indictment—Revolution of February, 1904—The commencement of the trouble—Train passengers held up at Villa Mercedes—Escape of officers into Chile—Risings at Córdoba and Buenos Aires

NOTHING could be more simple or more praiseworthy in theory than the basis upon which the Argentine Constitution is founded. As in Biblical parlance, we have 'precept upon precept, line upon line,' one of which urges purity at elections; but, alas! how little are these precepts, these 'lines upon lines,' observed. The form, however, is present. There is a Federal Republic, with its President and Vice-President, each elected for six years, and who must be native-born. There is a Congress to which even foreigners may gain access, after having become citizens. There are the usual Ministers for the Federal Government, and several provinces, such as Buenos Aires, Corrientes, and Córdoba, have their own legislative Chambers, Senators and Deputies, while still others have Deputies only. Each State has its Governor, and although by the Constitution no Province can declare war on another, conflicts and disturbances between them and between States and the Federal Government are not infrequent.

One still hears of the practice of violently preventing voters from reaching the polls, of wholesale personation and resuscitation of long dead and buried voters, the copying of names from the registers and forging their signatures, and other political devices known to the 'good old electioneering times.' Many of the Argentine electors know nothing of what their electoral rights consist, and they are content apparently to do just as the local authorities tell them. There is no punishment awaiting the dishonest or false voter, and bribery, therefore, reigns supreme.

Under such circumstances, politics in Argentina possess about as much and as little attraction for the honourable and conscientious patriot as they do in America. One is reminded in this



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La Plata Municipality Building, one of a number of similar palatial edifices, costing in the aggregate over £16,000,000 sterling

connection of Sheridan's famous but caustic quip, 'Conscience has no more to do with gallantry than it has with politics.'

The party politics of a foreign country can and should be of but little concern to the Britisher, unless they have a direct bearing upon his particular interests, and the stranger who elects to settle in Argentina, or, indeed, in any other South American State, will find it more advantageous to avoid showing or expressing any partisanship with one or another of the opposing factions. It is true that he may thus, unhappily, earn the animosity of both; but in the end it is decidedly the safest policy to pursue. Britishers have in the past suffered pretty severely from interfering in South American politics; but it is impossible to overlook the fact that but for the intervention at critical periods of the Republics' history of such men as Bernard O'Higgins of Chile, General Miller of Peru, Admiral Brown of Argentina—whose campaign against the neighbouring country of Brazil will rank as one of his greatest achievements—and others, the Republics might show a very different line of demarcation than they do to-day. There might, indeed, have been no Republics at all, but merely a continuance of the Spanish and Portuguese Crown Colonies.

Of the many handsome monuments in Buenos Aires—and, with the exception of Santiago-de-Chile, no South American city boasts of more—one of the finest is that erected to the memory of the famous Admiral William Brown, and which stands on the Paseo de Julio, which so often rang with the victorious plaudits of the people whom Brown had served with a zeal almost unparalleled for a foreigner. Brown was an Irishman by birth, and lived from June, 1777, to May, 1857—eighty years. He was a veritable Nelson in his pluck, daring, and naval successes, his name being indelibly connected with the great battles of 1816, 1818, 1826, and 1827. He saved the Argentine Republic from defeat at the hands of the Brazilians, who hated him like a plague and feared him even more. The gallant Admiral retired from the service of the Republic on the defeat of the infamous President Rosas, and he is buried in the Recoleta Cemetery, where, in addition to the fine monument, of which I give a photograph elsewhere, there is a handsome erection to his memory and that of his wife, who is buried in the same grave. The monument cost over £300, and the site was given by the Argentine Government. The castings alone weigh over 5 tons, while the site for the monument on the Paseo de Julio was presented by the Municipality of Buenos Aires.

The best friends of the Argentine Republic are really its most candid critics, and these should not be despised merely because they are acting the thankless part of Cassandra. It is the fate

of many who clearly foresee and predict disaster to share the fate of Priam's daughter, and their predictions are invariably disbelieved. Nevertheless, a prophet has sprung up in the person of Dr. Pellegrini, a former Vice-President and eventually President, who has long been hiding himself in Paris, but upon whom, apparently, the mantle of Elijah has recently fallen. Dr. Pellegrini has notified his impending return to politics by hurling an indictment against the present condition of things that demands serious attention, by reason of the sound sense of some of its observations. Undoubtedly the Argentinos, *entêtés* with their present astonishing prosperity, are apt to consider that their destiny has come, and nothing can henceforth shake the foundation of their good fortune. Dr. Pellegrini's voice has made itself heard to the following effect: 'We are placing all our trust in our present prosperity, and the Government believes itself to be immovable because it is resting on a mountain of wheat; but we ought not to forget that the peoples whose principal source of riches is agriculture have been condemned from Biblical times to a succession of "lean kine and fat kine," and it makes one shudder to think of what would become of us if we should be afflicted with a five years' drought such as Australia has just supported tranquilly. We must form a strong and sound organism capable of bearing adversity, but this we shall not have until efficacious public opinion and self-government, arising from the majority and sustained by it, have rendered impossible those small and ridiculous autocracies in which any man raised by chance to power may dispose at his will of the rights and of the future of a million of Argentinos, arrogating to himself the attributes of a grand and only elector, and organizing all the public powers according to his own pleasure or caprice.'

The unfortunate part of this Socratic outburst is that Dr. Pellegrini himself is more than suspected of having created these 'ridiculous autocracies' which now, Frankenstein-like, rise up to overwhelm him. His long and anything but honourable connection with the notorious President Juarez Celman—whose reign was characterized by every political and financial infamy conceivable—will not be forgotten. Britishers resident in the Argentine at the time of the Celman regime will certainly not have done so.

The country is possessed of a purer and a more responsible Government to-day than it has yet known. But you would find it very difficult to convince the average Argentinian of this fact, for like the Irishman of history, no matter who may happen to be at the head of affairs, 'he is always agin the Government.'

Dr. Manuel Quintana, the President of Argentina, enjoys the rare distinction of being the elect of all parties alike, and

he has justified their choice in every way. He is a native of Buenos Aires, and belongs to a distinguished family. As a lawyer he has few equals and no superiors, his knowledge and acumen being profound. Dr. Quintana before his election as President acted as Legal Representative of many of the British Railway Companies situated in the Argentine, a fact which, however, has not in any way induced him to act unfairly towards or against their interests subsequently. A keen but 'clean' politician—a very unusual combination in South America—his Excellency has held the positions of Provincial and National Deputy and Minister in the National Government, while he was appointed as Argentine Plenipotentiary to the Pan-American Congress at Washington. The President, who is nearly seventy years of age, is one of the most charming and handsome of men, an aristocrat *aux bouts de ses ongles*. He has a great admiration for England and the English, and has sent all his sons and daughters, of whom he has several, to England to be educated, and to learn something of European ways. His Excellency has proved both a wise and a firm President, a fact which, I regret to say, has not shielded him from the attempt of a fanatic to take his life. As recently as August last Dr. Quintana was shot at by a native, but fortunately without resulting in the least harm. The great sympathy shown by every section of the community clearly proved that he has done nothing to forfeit their esteem and confidence.

While travelling in the Argentine in February, 1905, I quite unexpectedly, and I need hardly add unwillingly, found myself in the middle of a Revolution.

The whole circumstances were so sudden and so strange that at first it was difficult to believe that a few miles away men were cutting each other's throats, firing at everybody and anybody indiscriminately, and wantonly destroying quantities of valuable property. Nevertheless, such was the case, and while at first regarding the affair, as one was inclined to do, from a comic-opera point of view, it soon became necessary to look at matters in the most serious of lights.

The organizers of the Revolution of February, 1905, all of whom were tried and experienced military men, perfectly well knowing what they were about, had kept the affair secret in the most approved manner. Not an inkling of the uprising had crept out, and the first intimation that anything was wrong was the announcement in a Government organ that a 'small military revolt' had taken place, and 'had been completely squashed in the incipient stage.'

Having complete control of the telegraph-wires at the moment, the Government employees kept up the fiction for about four-and-twenty hours, at the end of which time,

however, the true state of affairs commenced to leak out. It seemed that simultaneous revolts on the part of a crack cavalry and several foot regiments had broken out at Bahia Blanca, Rosario, Mendoza, and at a depôt close to Buenos Aires itself. At Mendoza the most damage had been done, the Revolutionists having turned their cannon upon the Governor's official residence, reducing it almost to ruins, and finally taking possession of the premises and the inmates. Illustrations of this affair are given elsewhere. Nothing of this, however, was known publicly in the Capital, and in all ignorance of what awaited them, the passengers by the usual morning train of the Buenos Aires and Pacific Railway, Chile-bound via Mercedes and Mendoza, left the Retiro Station at the customary hour, 11 a.m., among them being a number of the recently arrived passengers from the R.M.S. *Clyde*, which had that morning docked from Europe, and myself. News of a disquieting character commenced to reach us as we came to each succeeding station on the line, until arriving at about 1 a.m. the following morning, at Villa Mercedes (which is the terminus of the Buenos Aires and Pacific and the commencement of the Argentine Great Western line), our train was completely stopped by order of the Revolutionists and the Government troops alike. The locomotive was removed and run some miles down the line, while the train itself, consisting of some eight saloon and sleeping cars, was ignominiously run into a siding and left there. The passengers were left to kick their heels to their hearts' content, not a vestige of information being vouchsafed them as to how long they were to remain practically prisoners—a day, a week, or a month. Officialdom knew nothing, and on being appealed to merely shrugged its shoulders and considered 'it might as well be a week as a day,' but 'probably the train would be sent back to Buenos Aires and not allowed to proceed at all.'

Considering that Villa Mercedes is little less than halfway across the continent, this news seemed disconcerting. A thoughtful superintendent at the Mendoza Station fortunately remembering that the passengers had had nothing to eat or drink since six o'clock the previous evening, ordered the refreshment waggon to supply coffee and rolls and breakfast later on. The car had only been provisioned for a twenty-four hours' journey, from Buenos Aires to Mendoza, and consequently the fare at breakfast (we should call it 'luncheon') was less plentiful than would otherwise have been the case. In the meantime snatches of news from the Revolutionary quarters continued to arrive, and from this it seemed that things were rapidly becoming worse. Government troops to the number of several thousand had gone forth to meet the rebels; much



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Buenos Aires, the Plaza Victoria, showing the Stock Exchange Building



firing and many deaths had occurred; the reactionaries had torn up many yards of rails over which our train would have had to pass; and both sides of the contestants were playing havoc with the railway rolling-stock. It also seemed that while the Revolutionists would not permit the train to go forward, the Government objected to it going back to Buenos Aires, so, like Mahomet's coffin, there we were 'suspended between heaven and earth,' or perhaps, to use a more suitable simile, we were cast from the Scylla of Villa Mercedes to the Charybdis of Buenos Aires, and our weary feet knew no abiding-place. Travelling in South American Republics, where revolutions have in the past been as plentiful as blackberries in September, has few pleasures, if some startling surprises.

The pathetic part of the Revolution was that nearly all the conspirators were young men. In discussing the matter with the President some weeks afterwards, I noticed how moved was his kind-hearted Excellency when observing this fact. His grief was no doubt greatly accentuated by reason of the fact that he was called upon to confirm the heavy sentences passed upon so many young and promising officers. However, Dr. Quintana remained firm on this point in the face of much pressure from outside sources, and did his duty to the Republic.

Fortunately, the Revolution came to an abrupt end, but not before many innocent lives had been sacrificed and reputations ruined. A special court-martial was appointed to try the officers who took part in the armed movement, and many of the culprits are now in prison. Sentences were passed ranging from six years' to six months' imprisonment. None were sentenced to death. No one could assert that the sentences erred on the side of severity.

Many of the culprits escaped into Chile, and I had the 'honour' of meeting several of them at the same hotel where I was staying, at Santiago. In accordance with the request of the Argentine Republic, several of these conspirators were arrested, more upon the plea that they had robbed the Banco de la Nacion at Mendoza of \$300,000 than for the Revolutionary acts which they had committed. Among them was Dr. Lencina and nineteen other fugitives. Doubtless but for the fact that this money had been taken from the bank, the Argentine revolutionists would have been able to pass their summer holidays in Chile unmolested. I may mention that most of the money stolen was eventually recovered and restored to the bank. At Córdoba the rebels took \$9,000 from the provincial treasury, and \$40,000 from the bank of Córdoba; this money was never recovered.

In consequence of the revolt, President Quintana issued a decree declaring a state of siege, while the seriousness of the

uprising was proved by the War Office calling out the Reserves of the classes 1880, 1881, and 1882 in the Capital and Provinces of Buenos Aires, Santa Fé, Entre Ríos, Córdoba, and Salta. In spite of the state of siege, however, Buenos Aires wore its usual aspect, and there was little or nothing to indicate anything unusual going on inside the city or out of it. Many romantic incidents took place in connection with the revolt, which, unfortunately, I have not the space to chronicle. No doubt if the full history of the uprising were written it would prove amusing as well as enlightening. The Argentine people are naturally endeavouring to forget the whole of the unpleasant circumstances, which they trust may henceforth be buried in oblivion.

In Buenos Aires the military rising was not all comic-opera, as some historians have attempted to explain. Very serious fighting took place in the streets, and many lives were lost; but the worst feature consisted in the number of private assaults made by roaming insurgents, who entered dwelling-houses of anyone and everyone, stole jewels and money, and brutally attacked the peaceful residents. The insurgents were attacked on their side by Government force, the troops, again, entering private houses in search of their quarry, and firing indiscriminately whenever they happened to catch sight of them, the bullets flying merrily about the roofs and into the living-rooms of the residents.

CHAPTER IV

Education in Argentina—Religious instruction forbidden—Compulsory State teaching—Immigration—Treatment of immigrants—German invasion—Anarchistic teachings and new arrivals—Strikers and their methods—The working man and his life—High rates of living—The 'value' of Protection—The Press—Newspapers in Buenos Aires—*La Prensa*—The *Standard*—The Mulhalls, past and present—La Plata State—The La Plata Government and their reputation—British Cedula bond-holders

ALTHOUGH the system and scope of Education in the Argentine are not as good as those of Chile, nor the supervision bestowed by the National Government as close, public instruction is on a fairly sound basis. It is divided into three grades—primary, secondary, and higher. The first is compulsory for all children of both sexes from the age of six to fourteen. There is no religious instruction, which, as a matter of fact, is forbidden. All the schools are free, while all persons over fourteen desirous of learning reading, writing, arithmetic, elementary history, and geography can do so free, at night and day schools. But very few do so desire. Secondary education is not obligatory, but gratuitous. The Republic has three Universities—at Buenos Aires, Córdoba, and La Plata—twenty-eight Normal Schools, seven Teachers' Schools, and three 'Regional,' the latter only two years established.

So far as the Argentine is concerned, unless it were compulsory State education would be useless. The average parent cares little or nothing for education, and would sacrifice the children's future without a qualm, preferring to send the little ones to the farm or the factory as soon as they are capable of earning something for the family pot. That the children play truant frequently, and even when at school avail themselves as little as possible of the opportunities afforded, is the fault of the State for not more carefully supervising the expensive but defective system of education in force. Considering that the Argentine, in common with all South American States, professes the Roman Catholic religion, the abolition of all religious instruction in schools, except after hours and by special request,

is remarkable. If the State provides secular education, why not religious education? It may be that while practical agreement as to the ends of secular education has been arrived at, there is no likelihood of unanimity in regard to religious teaching, even when the whole country's religious faith is the same. The Constitution of the Republic states in its 14th Article that all the inhabitants of the Nation may profess with full freedom their religion, and in the 20th Article foreigners are granted all the civil rights of citizenship, which include the privilege of freely practising their own religion.

Immigration is the one great factor which the Argentine has yet to learn how to manage. Hitherto the Republic has not treated its immigrants too well, although many—perhaps most—of them have done well for themselves. Once in the country, however, the immigrant is forgotten or allowed to find his own bearings, and he is permitted speedily to become the prey of Anarchistic teachings instead of being vigorously protected from them. There is an Immigrants' Home at Buenos Aires, where the arriving people are kindly treated and their various callings carefully inquired into and classified accordingly. Here they are lodged and fed; but the Government could do more than this by endeavouring to obtain for them freedom from the Labour leader's tyranny.

There is a Labour Bureau, where manifold entries are made in manifold books, and which maintains in comfort manifold Government employees. But I never came across a genuine immigrant who had derived any practical benefit from the institution, although golden promises were held out in the first instance. The Bureau professes to find suitable employment and undertakes to give free transport to the interior towns, where 'Expeditionary officials' receive them and pass them on their journey. The Government's intentions are no doubt excellent, but its officials do not carry them out as well as they might. At any rate, Argentina has great attractions for German immigrants. According to the latest statistics, no less than 3,356 Germans left the Fatherland, viâ Bremen, as immigrants to the La Plata States during the first six months of the present year, as against 743 in the corresponding period of 1904, and 318 in 1903.

The emigration and immigration statistics scarcely reflect the true condition of the country's prosperity. In one year, taking the returns from January 1 to November 30, the immigrants landed at the Madero Port, Buenos Aires, numbered 170,144, while those who departed amounted to 95,973, thus leaving a surplus in the country of 74,171. How many of these departing emigrants had gone back to their country with a life's savings, and how many found it impossible to earn a livelihood in the Argentine under prevailing conditions, and therefore



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The Madero Docks at Buenos Aires, extending for three miles along the city front

returned to their own land, it is impossible to say; here the statistics entirely fail to enlighten us.

How difficult it is to satisfy the average working man is proved by the recent experience of the Buenos Aires Western Railway. No Company have done more than—and few have done as much as—this to ameliorate the lot of their workmen. They have during the past year raised the rate of wages all round from 10 to 15 per cent. They have reduced the working day from nine to eight hours. They lend their men money to buy small plots of land, and to build houses thereon, without charging them a cent of interest, and the loans can be repaid by small instalments. All this and more have the Western Railway done, and yet, on the excuse that one of the workshops' hands 'had been dismissed unjustifiably,' and at the bidding of the Anarchist leader, the whole of the workshops' hands came out on strike, and the Company had to close down their works, but recently erected at a cost of many thousands of pounds. Fortunately the Company won, as the men had no money to continue the strike and, the works being closed, the Company purchased all that they wanted from abroad. I cite this instance as a proof that it is useless to attempt to treat the working man of Argentina as a reasonable being. He is amenable to no argument but that of privation, and this affliction he invariably brings down upon his head by his own acts of stupidity or improvidence.

The working population of Argentina was put at about 2,700,000, or nearly one-half of the whole population, at the end of last year. The native working men appear to be the worst off, possibly because they are the most improvident and the most ignorant. The general relations between the employer and the employed are exceedingly strained and unfriendly. The men can and do save but little from their earnings; they have few savings-bank accounts or insurances, and they spend whatever they can afford upon gambling in lottery tickets. Their children, but for the Government schools, would probably not be educated at all. As it is, there are some 350,000 children who receive no kind of education, and thus become ready tools in the hands of the Anarchist agitator. The Argentine workman's dwelling is usually a truly miserable habitation, and no attempts at refinement or the most elementary cleanliness are made. All the combined associations for 'mutual assistance and protection'—and there are any number of them in existence—fail to make the workmen's lot one whit more attractive or endurable than it is. The cost of living in the Argentine is very high compared with that of other South American States—Uruguay excepted—a fact which is, of course, attributed to the heavy Protection duties upon all imported goods. Con-

sidering the abundance of the two chief articles of diet—meat and bread—this should not be the case. No workman should want for food, and food of bone and sinew-producing qualities, when it could be procurable at lower prices than any other country could offer it, and while it forms the main articles of export from Argentina to Europe. There is something very wrong indeed when such an anomaly as this continues to exist.

For a country of comparatively small population, the Argentine Republic, as already stated, is amply provided with newspapers, and the press of the country generally stands very high. Last year there were estimated to be 189 daily and weekly periodicals, of which 154 are printed in Spanish, 14 in Italian, 6 in English, 3 in German, 2 in French, and several in other languages such as Scandinavian, Russian, Basque, etc. Buenos Aires is the home of the greater part of these Argentine newspapers, although the big towns like Rosario, Córdoba, Mendoza, etc., all have their own particular daily and weekly organs. There are two morning and two evening papers in each of the latter towns. Buenos Aires, being the Capital, possesses seven morning newspapers and four evening. Among the Spanish dailies undoubtedly *La Prensa* ('The Press') stands the highest in regard to both circulation and influence. It is the property of Dr. José C. Paz, who has made an enormous fortune out of the enterprise. His son, Ezequiel P. Paz, is the manager. The first number of *La Prensa* was published about thirty-six years ago, and I have had the privilege of inspecting it—a wretched little two-page sheet, abominably printed and with not a single advertisement. From this humble beginning, the paper has now attained a size equal to—and often exceeding—a full number of the *Times* (sixteen pages). *La Prensa* never publishes fewer than ten and as many as sixteen and twenty pages, seven or eight of which are occupied by closely-set, small and well-displayed type advertisements. Year by year *La Prensa* has grown, so that the proprietor has been frequently obliged to increase the amount of machinery and plant. Its circulation amounts to 95,000 a day. The palatial building belonging to the paper, situated in the Avenida de Mayo, is unquestionably the finest of its kind in the world. This is no figure of speech, for I have seen most of the famous newspaper buildings of the world—such as those handsome edifices in New York, Chicago, San Francisco, Melbourne, and other cities, to say nothing of those of London; but not one of these approaches the superb marble building of *La Prensa*, with its Louis XVI. reception-rooms, Concert Hall, decorated in white enamel and gold and with crimson damask chairs, private suites of apartments (bed-rooms, bathroom, salon, and kitchen) for distinguished visitors,



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Crossing the Quequen by Ferry ; situated 340 miles from Buenos Aires, on a fine navigable river



and numerous reading and consultation rooms, where free medical and legal advice is given to all who seek it. These superb suites of rooms, and, in fact, the whole offices, printing and composing departments included, are thrown open on Tuesdays and Thursdays to visitors, when high-class Concerts and liberal refreshments are provided.

The other Spanish newspapers include *La Nacion*, this being the property of General Bartolomé Mitré, President of the Republic in 1861, a distinguished and much respected patriot—the paper having very fine offices next to General Mitré's residence; *El Diario*; *El Jornal de Comercio*; and *Sarmiento*, the latter an evening paper. The comic press is represented by a host of small-sized but many-paged publications, with numerous photographic illustrations and coloured sheets.

The British press is represented by two dailies, the oldest and most respected being the *Buenos Aires Standard*, first published in 1861, and the *Buenos Aires Herald*. This former was the first English daily to be founded in South America. Before the *Standard* was launched several fruitless attempts had been made to maintain an English newspaper in the Capital.

An American named Hallet launched a paper called the *Cosmopolite* in 1825, which died the same year, and was immediately succeeded by the *British Packet* in 1826. This lived for over thirty years, but died in 1858, its place being taken by the *Commercial Times*, which lasted four years. Then came the *Standard*, established by the brothers M. G. and E. T. Mulhall, both being men of great intellectual power and social distinction. Mr. E. T. Mulhall, the senior Editor, who was regarded as one of the most deeply respected and trusted members of the British community in Buenos Aires, died on February 12, 1899; while Mr. M. G. Mulhall, the author of a 'Handbook of the River Plate,' and several valuable technical and statistical works, died in 1902. The *Standard* is at present carried on by Mr. E. Mulhall (the eldest son of the late Mr. E. T. Mulhall) and his brothers, all of whom are cultured and enterprising young men, holding high positions in the esteem and confidence of the British residents. Nor is this all, for Mr. Mulhall is *persona grata* with both the Government and the official world, and the opinions of his paper are quoted far and wide throughout the Spanish Republics, and bear great weight in the community generally.

The *Review of the River Plate*, a weekly financial and commercial journal, is read and respected all over the South American continent. Unfortunately, only Argentine and Uruguayan affairs are touched upon; but if the enterprising Editor could be induced to include Brazilian and Chilian finance in his excellent summaries, the utility of the paper would be enormously

enhanced. As it is, the figures and reports of the *Review of the River Plate* are very generally regarded as official. It is a well-printed, well-edited, and a very fair-minded journal.

One of the wonders of the Province of Buenos Aires is the City of La Plata. It was founded in 1882, and was originally intended to usurp the place occupied by Buenos Aires City, and become the Capital of the Republic. An enormous amount of money has been expended upon the public buildings, parks, museums, and other institutions—all foreign money, I may add, mostly borrowed from Great Britain and never repaid. When I say that over £20,000,000 of money have been laid out on the City of La Plata, I do not think I exceed the mark. And yet the population of the place cannot exceed 40,000. The vast white palaces are empty, the long streets—some still unpaved and others only partially so—are deserted, and an air of decay and desolation is over everything. The founders of La Plata reckoned without their host. It never has succeeded, and probably never will succeed, in becoming a residential city, in spite of the low rentals of the houses, the beauty of the parks, and the convenience of reaching it from Buenos Aires, but thirty-five miles distant. The only future that I can foresee for La Plata lies in its fine docks, known as the La Plata Port. Even here, however, a possible rival has lately sprung up in the suggested Samborombon Harbour, which is to cost £7,000,000.

There is yet another, and perhaps a more serious, objection to living in the City of La Plata. It is the State Capital of the Province of Buenos Aires (not, be it remembered, the Federal Capital of the Republic), and has earned for itself an altogether unenviable reputation for corruption, dishonesty, and municipal fraud of the worst description. The La Plata Government have been branded again and again as little better than financial pirates, and many unfortunate British holders of the Cedula Bonds, at least, will not quarrel with that term. To live under the rule of the La Plata authorities would be equal to opening your purse and inviting them to help themselves. They would, however, do just that without such invitation. From first to last the loss of the investing public through the suspension of the Cedula coupons has been £50,000,000. And yet the Government of La Plata, at least, are able to pay their share of the Debt, if they had any genuine desire to do so.

CHAPTER V

Tramway systems—The Buenos Aires installation—Electric *v.* horse traction—Anglo-Argentine Company—Buenos Aires and Belgrano Company—Grand National—Capital—Metropolitana—A threatened danger to tramways—Difficulties of locomotion in Buenos Aires—Mining in Argentina—Speculation in dredger shares—Gold, silver, and copper mining—Earliest adventurers—Dairy-farming—Agricultural machinery—Some popular manufactures in use—British and American implements and agricultural machinery

MOST towns in the Argentine have a tramway equipment of some sort or other, but for the greater part they are of a very indifferent character. I have referred in another part of this book to the slovenly and neglected system in vogue at Rosario, which, with the town of Paraná, had their first tramway lines laid down in 1873. The same criticism applies to most of the inland towns, such as Córdoba, Santa Fé, and others. Buenos Aires alone stands forward as a city running trams upon an efficient and liberal scale, but even here electricity is only in partial employment, the horse-tram being met with still. Gradually, however, electrification is taking its place, and in two years' time, probably, the last horse-tram will have disappeared from the Capital.

It is many years now since the first tramway was seen in the Argentine, and this was owned by the Northern Railway Company, and, of course, worked by horse-power. The Southern Railway was the next to come forward with an 'improved' service, but the first direct success was achieved in 1870, when a Tramway Company pure and simple was launched, and with instantaneous success. The public were delighted with it; but a purblind Municipality compelled the Company to order a man with a red flag to walk in front of each car when travelling. It may be understood that progress was thus anything but rapid. This absurd custom prevailed for many years, and, indeed, it is not so very long ago that it was abolished.

Electric traction was first introduced in 1897, and since that time it has been found the only practicable power for trams in

progressive movement for all other kinds of vehicles, as well as for pedestrians, is becoming day by day more difficult.

Something remedial will have to be done. The sidewalks of many busy streets are extremely narrow, not more than 6 feet wide, and pedestrians are compelled to step off into the roadway in order to pass one another. It is here that the danger arises from the swift-running and almost silent trams, which swoop down at a terrific pace upon the unwary pedestrian, only sounding their gongs when they are almost on the top of him. Accidents are naturally frequent in the streets of Buenos Aires, and deadlocks of the traffic, especially of an afternoon, are continual.

The various Tramway Companies are doing well enough to-day, as their balance-sheets for the most part prove; but there can be no question that serious steps against them are contemplated by the existing Municipality, who are aiming at the passing of a law which will compel every Tramway Company in the City of Buenos Aires to take up its rails and relay them outside the City boundaries. This, of course, would practically mean ruin to the majority of the lines, and bitter opposition to the scheme may be expected from the shareholders and the users of the trams alike. It is either a question of doing this, however, or of widening the narrow thoroughfares, which would be too costly to think of. In the meantime the Companies do not appear to be very much alarmed at their contemplated expulsion from the city, as various schemes are suggested by them for further consolidating their position there. The Grand National, La Capital, and the Rural Tramway Companies have all applied for concessions to Congress and the Municipality to build underground electric tramways, and a proposal has been made to the Municipality to make a contract to build at the expense of the city a complete system of electric tramways connecting all the railway-stations.

A great disappointment to the Argentinos is that they have no gold-mines of their own to boom. What would they not give for a 'Kaffir' or a 'Jungle' sensation! But sooner than not have any little gamble in that fascinating but elusive pursuit, gold-mining, Argentina has latterly been frolicking with the alleged rich gold deposits of Bolivia on one side, Brazil on the other, and, as a third resource, the desolate region of Terra-del-Fuego. All the money which has been expended upon exploiting these different alluvial deposits has been furnished by Argentinos—mostly from Buenos Aires. But everyone is in it, more or less—railway directors, bank managers, shipping owners, and, of course, their multitudinous followers and employees. For months and months there was no talk heard in the counting-house, in the tramcars, and on the streets, but 'dredgers,'



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The Devil's Gateway ("Puerta del Diablo")



'premiums,' and 'scrip.' The newspapers, plied with prospectus advertisements and preliminary puffs ('with illustrations'), fostered the excitement. Then it died down, and all the pet 'dredgers'—Brumados, Matto Grossos, San Juáns, Sucres, and Veneros—are sleeping until one or other of them awaken to activity and 'results.' So far they have existed only upon estimates. In the opinion of some sanguine enthusiasts 'estimates' and 'results' are one and the same thing. But the difference is—one pays dividends and the other does not. The Argentinos are going to find this out sooner or later—probably sooner.

In mining returns Argentina is the least successful of all the South American Republics. Chile comes first—by a long, long way; Bolivia next, Peru third, Brazil fourth, and Argentine a very poor fifth. And yet mining has been carried on for many more years than three hundred. Nevertheless, it has never assumed any position of importance. Europeans first worked mines in the Rioja district in 1596. The next one hears of were opened in 1636, and the first organized company of exploiters came out in 1755 from Chile. Copper was worked by those enterprising colonists, the Jesuits, in the Misiones territory early in the eighteenth century, a fact which seems to have got them into trouble with the Spanish Government, who demanded 'halves.' But they thought it was gold! The Indians are supposed by Professor Humboldt to have worked the mines during the times of the Incas, but if they did they were careful to leave no traces behind them. There are copper, argentiferous galena, auriferous quartz, petroleum, coal, alabaster, and marble in Mendoza, but little has been done with any of them. Silver, copper, and antimony are also said to exist in San Juan, but no one seems to have seriously looked for them. The native silver taken out of the Rioja mines of Famatima was no doubt very considerable, and supplies still exist, but the price of the white metal is so low to-day as to render it hardly worth while to mine it. In the Province of Catamarca mining is going on in the region of Cerro de Capillitas, argentiferous and auriferous copper having been found there in greater or less quantities for the last thirty years. There are two smelting works here, known as 'Pilcian' and 'La Constancia.' Tucumán claims to have silver and copper, and gold is suspected in the provinces of San Luis and Córdoba. If gold is found in paying quantities at all, however, it will be in the dreary district of Terra-del-Fuego. The precious metal occurs here in the form of dust, and is found in the river-beds, especially after heavy rains. And it is always raining more or less in the Terra-del-Fuego. In the territory of Chubut the dust is also found. The mining laws of the Argentine are mild and reasonable, but the industry has never yet

obtained sufficient importance to put them to the test. In all probability the future wealth of the Argentine lies in what can be grown and seen above ground, and not what lies beneath it.

Dairy-farming is found a very profitable industry, and promises to become even more so as time goes on. Some of the dairies which I visited were not, perhaps, as clean and neat as those found in rural England; and probably few Devonshire farmers' wives would consent to keep their pails and cream-pans in such a condition as many that I have seen in daily use on Argentine farms. Several large creameries have been erected during late years, the greater part of their produce going to Buenos Aires. The major portion of the industry is in the hands of companies or co-operative societies, among the principal being Granja Blanca, La Tandileva, El Progreso, and La Martona. In 1891, when the enterprise was first launched upon anything like a commercial scale, the total amount of butter exported amounted to 1,300 kilogrammes; to-day the Republic is exporting a minimum of 6,000,000 kilogrammes, the produce of some 10,000,000 breeding cows. The Argentine milch-cow gives more milk, which makes a butter at less cost, than any other known.

It may sound odd to talk of 'milking sheep,' and yet in the Argentine—far south, in the Province of Buenos Aires—there is a farm where are some 12,000 to 14,000 Lincoln high-grade ewes, and there they are milked in dairies and treated pretty much the same as are cows. They are driven in late in the afternoon, the lambs separated into a camp apart from their dams till the morning, when about one-third of a litre of milk is drawn from each ewe before she goes out with her lamb for the day. This milk is used for cheese, which is very readily sold in the country. It is only upon an exceptionally rich pasture that ewes can be milked, and care has to be exercised that no injury to the lambs accrues from extracting too much milk from the ewe. It is only rarely that an ewe gives too much milk to her lamb.

An immense amount of agricultural machinery and farm implements find its way into the Argentine, much being the product of British manufactories. The firms of John and Joseph Drysdale and Agar, Cross and Company, both of Buenos Aires, are the largest importers for the Province of Buenos Aires, while Messrs. Balfour, Williamson and Company, Messrs. Duncan, Fox and Company, and other big importers, handle the requirements for the rest of the Republic. Ploughs, shellers, headers, mowers, rakes, horse-rakes, ploughshares, harvesters, seeders, and threshers come from Great Britain mainly, but also from North America. The grain-cleaning and threshing machinery of Messrs. Clayton and Shuttleworth of Lincoln, of Messrs.

Ransomes and Rapier of Ipswich, and of Ransomes, Sims and Jeffries of Ipswich, all enjoy a large sale, as do the portable engines of Messrs. Marshall, Sons and Company, Limited, of Gainsborough, and the ploughs and seeders and safety oil-engines of Richard Hornsby and Sons, Limited, of Grantham. The portable engines and other agricultural implements and food-preparing plant made by Ruston, Procter and Co., Limited, of Lincoln, and Samuelsons, Limited, of Banbury, are found upon a good many of the estancias owned by British settlers, while the road engines made by Messrs Aveling and Porter, Limited, of Rochester, and the Wolseley Sheep-Shearing Machines are in use very generally throughout the Republic. The Walter A. Wood excellent harvesting machinery, as well as the McCormack binders and reapers, both American manufactures well known in England, are in considerable use. Other notable farm machinery includes Massey and Harris's reaping machines, Boby's corn threshers, and the Alpha Cream Separators made by the Dairy Supply Company, Limited, of London.

British-made machinery, although more expensive than that of American make, undoubtedly endures longer, is more capable of repair when worn, and is preferred by all farmers who have had the opportunity of trying both.

CHAPTER VI

Commercial Code of the Republic—Laws relating to traders—Limited liability laws—Protection for shareholders—Voting by hands, not by number of shares held—Directors and their duties—Fiscal Agents—Powers for good or evil—Banking—English banks—Early establishments—London and River Plate—London and Brazilian—The native banks—Want of an agricultural bank—High interest paid by farmers for loans

THE Argentine Commercial Code, as it exists to-day, is a well-selected assortment of all the best points in the commercial laws of other countries—not even disregarding those of Brazil and Uruguay. The Code has been evolved from the laws of 1857, which have been regarded as possessing many intellectual points of value. With the expansion of the Republic, the laws relating to trade and commerce had to be revised and, in part, remodelled, and many eminent men participated in the undertaking. Perhaps no one has contributed more to the excellence and completeness of the Commercial Code than Dr. Carlos Pellegrini, a former Vice-President and later President of the Argentine Republic, especially with regard to the defective Bankruptcy Laws. These were amended in 1902, and were passed into law in that year.

The laws relating to trades generally are excellent in theory, but are very often badly and immorally applied by the officials. Grave causes of complaint have been expressed about this, and many investigations have had to be undertaken before wrongs could be righted and justice effected. Commercial contracts are much at the mercy of certain Judges and their Chief Clerks—or officials who answer to those positions—but, generally speaking, a British or other foreign subject can take care of himself if his documents are in order and can be certified as such.

Limited liability laws are somewhat elastic, and subject to confirmation or rejection by the Minister of Finance, who acts as a kind of supreme appeal upon knotty or unprecedented points. One of the conditions of limited liability companies says there must be at least ten shareholders; another says at least



BUENOS AIRES AND ROSARIO RAILWAY CO.'S ELEVATORS AND DEPOSITS
Situating on the East Side Dock 2 in the Port of Buenos Aires



20 per cent. of the capital of the Company must be taken up, and the shareholders must have paid 10 per cent. of such paid-up capital. Promoters of Companies in the Argentine have no such golden opportunities of pocketing huge commissions, or 'plunder,' as has been the case so often in England. No promoter is allowed to reserve any premium or advantage, share or obligation, in preference, or such as should not be paid, being of the same class as those offered for subscription to the public. In voting, the precise number of shares held by each voter has nothing to do with the result. Each vote counts irrespective of the holdings, and therefore proxies are of no value to directors. No shareholder, whatever be the number of the shares he holds, can represent more than one-tenth of the votes conferred by the totality of the shares issued, nor more than two-tenths of the votes present at the general meeting. Thus 'a one-man' Company is practically an impossibility in the Argentine Republic. Shareholders living abroad are likewise protected by special clauses, allowing them to hold meetings and record their votes, which count as if they were present at the general meeting. The directors have likewise to provide a guarantee for the due and correct fulfilment of their duties, such guarantee being set forth in the Company's statutes or at a general meeting.

A very sound and sensible law is that which appoints a Fiscal Agent, nominated by the Government or Municipality, but paid by the Company, to supervise the accounts and general conduct of affairs of any concern working upon a concession given by the authorities. If the Fiscal Agent be an honest man and not susceptible to bribes, he can bring an immense amount of moral influence to bear upon the directors, if they need it. If things are 'crooked,' however, and the Fiscal Agent can be induced to shut his eyes, the position of the shareholders is doubly unfortunate, since the Fiscal Agent can prove as powerful a factor for evil as for good. This official can be present at all shareholders' and directors' meetings alike. He presents a Report on his own account to the authorities at the end of the year, and the contents of the Report need not be, and very seldom is, divulged to the directors or the shareholders.

The Insurance Laws of the Argentine exact that foreign Insurance Companies should make a deposit as a guarantee before commencing business.

Fire Companies pay	\$300,000	paper.
Life	"	\$150,000 "

Those Companies which do business in more than one risk deposit \$100,000 paper for each additional risk. The deposit has to be made in Argentine Bonds; gold bonds for an equivalent amount are also accepted.

Taxation.—The tax levied upon Foreign Insurance Companies' premiums is as follows:

By Foreign Companies—		
All risks	-	- 7 per cent. on premium.
Life	-	- 2 " "
Agriculture	-	- No tax levied. "
By National Companies—		
All risks	-	- 1'40 per cent. on premium.
Life	-	- $\frac{1}{2}$ " "
Agriculture	-	- No tax levied. "

License (Patente).—The tax payable is \$3,000, \$5,000, and \$6,000, according to category, by all Foreign Companies. For each further risk, one-half of the amounts are due. National Companies pay for one risk \$2,000, and for each additional risk one-half. These amounts are paid in paper (moneda-nacional), and are due annually.

Stamp Tax.—All policies of Foreign or National Companies issued must bear a stamp equal to:

\$0.05	up to	\$1,000.
\$0.10	"	\$2,000.
\$0.15	"	\$3,000.
\$0.20	"	\$4,000.
\$0.25	"	\$5,000.

And for every \$5,000 additional or fraction—\$0.25.

Agricultural risks need pay no stamp tax.

The laws are very strict with regard to foreign doctors' certificates in Life Assurance policies. A foreign doctor's diploma, no matter how lofty or whence granted, is not recognised in the Republic, and each practitioner must pass his examinations afresh before he can commence to practise.

At present the Life Assurance Companies in the Argentine do not make a point of the Annuity business; but there is little question that on reasonable terms there should be a very fair amount of business done, especially if properly explained and advertised.

There are many English Companies established in the Argentine, more particularly in Buenos Aires. The principal Life Insurance Companies are the Liverpool and London and Globe, the Royal, and the Standard, while there are some twenty different English Companies operating in Fire Insurance, including the London and Lancashire, the Northern, the Alliance, the Royal Exchange, the Sun, the Guardian, the Norwich Union, Atlas, Commercial Union, London Assurance, North British and Mercantile Insurance, Phoenix, Scottish Union, etc. The National Companies include America (Limitada), El Comercio, La Economia Comercial, La Estrella, La Franco-Argentina, Franco-Platense, Hispano-Argentina, La Inmobiliaria, La Italia,



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Works of the River Plate Fresh Meat Co. Ltd. at Campana, Argentine Republic



La Positiva, La Previsora, La Rosario, La Rural, Sud America, Equitativa del Plata, La Andina, La Transatlantica, La Union Mercantile, and La Aseguradora Española.

Little attention is paid to the small policy holder, and many who would be likely to take out a modest policy find themselves unable to effect anything in a sound Company under \$2,000 paper. Possibly it does not pay to accept such small policies; and yet experience proves not only that 'many a mickle make a muckle,' but that small policy-holders are more tenacious than the larger and more showy kind. At any rate, the North American offices find that it is easier to renew, say, 200 \$1,000 policies than ten \$20,000. As competition among the many different offices becomes keener, no doubt much of this now neglected business will be catered for.

One native Company, the Sud America, which professes to have assets over \$6,700,000 paper, and reserves \$5,560,000 paper, offers coupon policies, and guarantees interest of 5 per cent. and 6 per cent. per annum on the total of the premiums paid. It has also introduced a semi-annual amortization clause, which can be added to all ordinary forms of policies.

The laws which govern banking in Argentina are based upon the various sections of the Commercial Code, and all phases of banking business are dealt with. There is a Bankers' Clearing House, established in 1893, the London and River Plate Bank being the liquidating bank.

It was on January 15, 1822, that the first bank was established on the River Plate. It bore the title of Casa de Moneda, a name which still exists, and was founded by English and Argentine merchants conjointly, but more as a discount than a banking institution. Four years later, however, it took the name of the Bank of the United Provinces, its capital being £180,000 sterling. After that came the National Bank, founded in 1873; the New National, founded in 1891. Previously the London and River Plate Bank had been established on January 1, 1862, with a capital of £600,000. This must not be confused with the English Bank of the River Plate, a concern which was founded in 1880, and failed in 1891.

The first manager was Mr. J. H. Green, who had already been some years in the country. Business was commenced in a small back office situated in the Calle Florida. Money at this time was fetching from 7 to 24 per cent., a rather wide margin, and exchange fluctuated from 2 to 5 per cent., apparently without any governing reason; there were no National bonds in those days, and the only subject of speculation was gold in the shape of ounces. Banking was little understood by the commercial residents of Buenos Aires, or there was an entire lack of confidence in banking institutions, each broker, merchant, and

CHAPTER VII

Argentine finance—Past history and future prospects—First loan—Default—Various loans and their careers—The Government and conversion—Dr. José Terry, Finance Minister—The gold premium—President Quintana's policy—Stores of gold—How they are guarded—Buenos Aires Provincial Cédulas—Scandalous repudiation—Prospects of bondholders—Santa Fé borrowings—Another default—Arrangement with bondholders—Suggested settlement

THE Argentine Republic is realizing the truth of the adage 'Give a dog a bad name and hang him.' The unfavourable financial history of South American Republics in general and of some Argentine States in particular, extending over a long period, has caused the world to look askance at all financial operations taking place in these countries. Inasmuch as they have frequently been unable to pay the amount of interest accruing upon foreign money, borrowed in many cases under false pretences, it has been found necessary for their creditors abroad to keep the very closest observation upon their economic and financial condition, not only from year to year, but practically from day to day. With all this precaution, however, foreign bondholders have been defrauded.

It is satisfactory to be able to say that the South American Republics are gradually becoming converted, and even the least honourable among them are beginning to realize the wisdom of paying their debts, if not in full, at least in part. No little credit for this ameliorated condition of affairs is due to the Corporation of Foreign Bondholders, an association which was founded in 1868, and holds a special license from the Board of Trade. In 1898 the Society was incorporated by Act of Parliament, and excellent have been its efforts on behalf of foreign bondholders. It has been instrumental in obtaining settlement of debts aggregating nearly £1,000,000,000, a record of which it has every reason to feel proud.

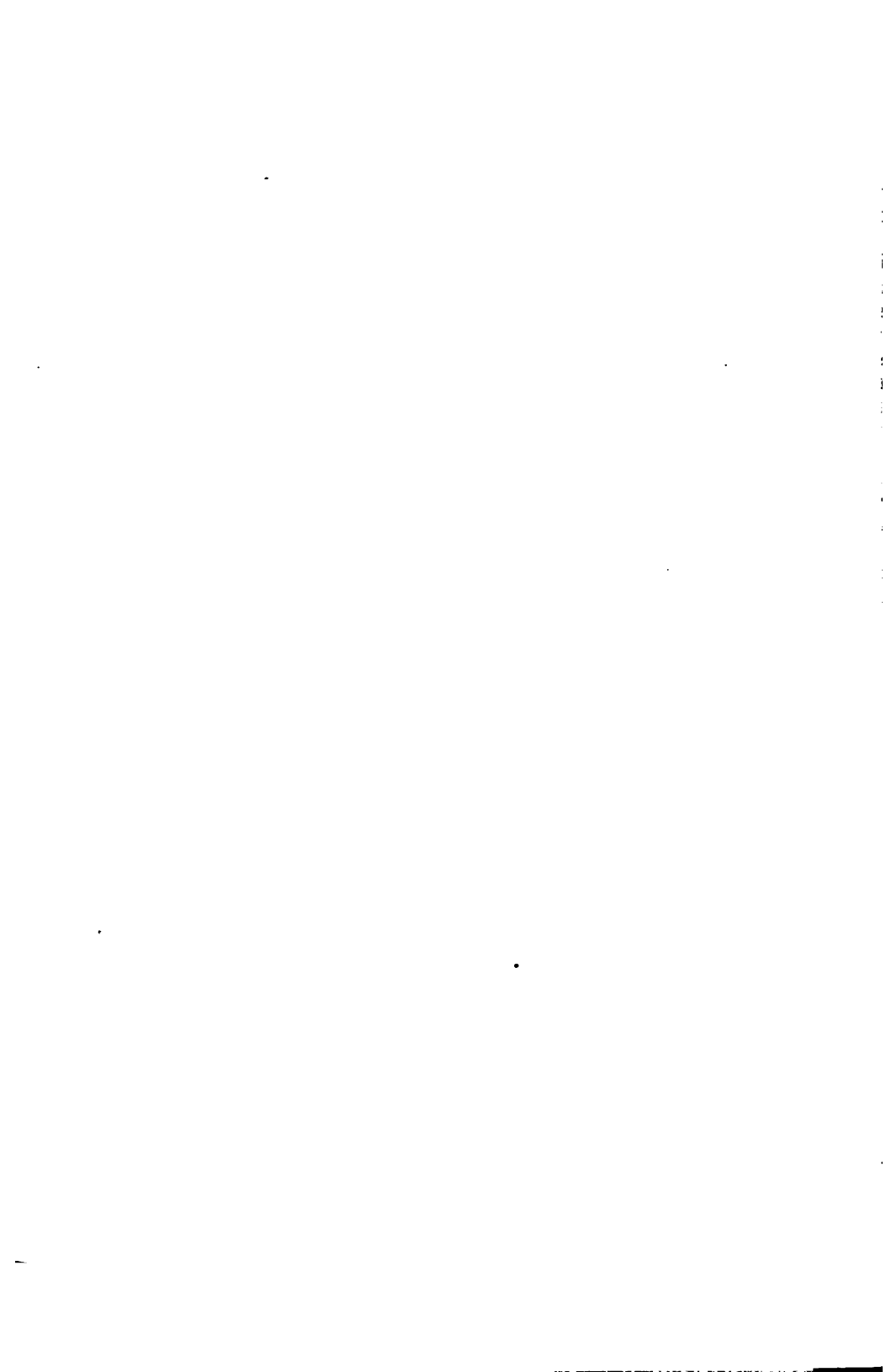
The Argentine commenced to borrow money in London as far back as 1824, the first loan of £1,000,000 for the Province of Buenos Aires being granted in that year and issued at 85 per cent. Six years after the loan was floated the Province



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Works of the Rosario Electric Co. Ltd. at Rosario de Santa F6



defaulted, and the Federal Government took over the loan in 1880, extinguishing it in January, 1904. Arrears of interest which amounted to £1,641,000 were converted into a separate stock bearing 1 per cent. interest until 1865, 2 per cent. from 1865 to 1870, and 3 per cent. until its extinction in July, 1891.

The Argentine Republic suffers in the same way as does the Republic of Brazil from having to bear the moral, if not the actual, responsibility of the numerous loans floated by the separate States. I have commented upon the matter very fully in the portion of this book dealing with Brazil, but I find it necessary to here point out that the National Government of the Argentine bears no real responsibility for a Provincial debt; as a matter of fact, it has assumed the responsibility for some of such debts, but by no means for all.

Among the London bankers who have helped the Argentine to float various loans are Messrs. Stern Brothers, Messrs. Baring Brothers, Messrs. C. de Murietta and Company, Messrs. Morton, Rose and Company, Messrs. J. S. Morgan and Company (New York and London), and Messrs. Heinemann and Company; while Messrs. Rothschild have always acted the part of financial godfathers to Brazilian issues. Money has been borrowed for all kinds of purposes, such as construction and extension of railways, building of waterworks, drainage works, and other reproductive enterprises. It is instructive to note how many of these loans, issued under the powerful auspices as I have mentioned, have either been defaulted upon or converted, in many cases both; for instance, the Buenos Aires 6 per cent. State Loan of 1870, after being partly satisfied, was converted in 1899 into a 4½ per cent. Conversion Loan. The 6 per cent. Public Works Loan of 1871 was similarly treated, as were also the 6 per cent. Internal Hard Dollar bonds of 1863, and the Buenos Aires 6 per cent. Loan of 1873. The 6 per cent. Loan of 1881 has a bad history, and the bondholders have not yet succeeded in obtaining possession of their principal, although interest has been paid by the Government up to 1899.

In 1893 the then Minister of Finance announced that 'the financial position of the Argentine Treasury would not, at the expiration of the Moratorium (which had been granted in January, 1892), permit payment in full of the foreign obligations contracted by the Republic.' The position of affairs in the Republic then and now is totally different, but still some Loans remain unsatisfied. Probably to-day, in view of the marked growth in the prosperity of the country, and the high esteem in which the Minister of Finance, Señor José Terry, is held, the Argentine Republic would have no difficulty in raising such money as it wanted; and in spite of previous experience, the Provinces would also share in this facility.

Quite recently the Republic arranged to convert the National Internal Debt. This amounts to a little over \$60,000,000, and is held in the form of 6 per cent. bonds. The Government offered to pay off these bonds in cash or to convert them into 5 per cents. A large proportion of the bondholders declined to take cash, preferring to allow their money to remain in the safe keeping of the Argentine Republic at the 5 per cent. rate, the security now being ample.

Holders who accepted the conversion enjoyed a bonus of 3 per cent., payable immediately, with interest on the coupons on which payment was due in September, October, and November, 1905. Those who did not accept the conversion within the period mentioned were to be repaid at par at Buenos Aires early in September, October, and November.

Some doubt was caused as to whether the gold premium fixed by the Conversion Loan of 1899 would be affected by the great abundance of gold in the country, but it may be taken as a fact that the gold premium will not be lowered. The Government of the Republic is resolved to maintain the *ratio* selected in 1899, and the President, Dr. Quintana, has plainly pledged himself to that policy. So far as I can see, no one in power to-day has any desire or intention to make a change, although in course of time the unit of the currency may be varied. This, however, would be done in order to preserve the existing *ratio* between gold and the paper dollar.

In the meantime it may be interesting to note that the Argentine Government possess 50,000,000 gold dollars in its Treasury, and a few months ago a good deal of excitement was occasioned in Buenos Aires and throughout the Republic by the knowledge that this hoard of gold was but very imperfectly guarded. So many audacious robberies from public funds have taken place in South America that the fears entertained were by no means groundless. The stores of gold in the Bank of England and the Bank of France are guarded by detachments of soldiers, whereas the \$50,000,000 gold belonging to the Argentine Nation are in the keeping of but two night watchmen, provided with revolvers, and one outside the building similarly armed. Half a dozen determined robbers could easily overcome this amount of resistance, and probably one day they will try their luck.

Undoubtedly the most scandalous part of modern Argentine Finance is that in relation to Buenos Aires Provinces Cedulas. There are two sets of Cedulas, National Cedulas and the Buenos Aires Cedulas, and they should not be confused. The direct External Debt of the Province of Buenos Aires was taken over by the National Government of 1898, but the Cedulas Mortgage Bank of the Province debt, for which the Federal

Government assumes no responsibility, amounts to-day, including principal and unpaid interest, to £15,150,000, more or less. The Argentine Municipal Loans amount to £1,051,500 Principal, and £836,818 Interest.

It is necessary once more to draw a hard-and-fast line of distinction between the Government of the Province of Buenos Aires and the Government of the Republic. Were the guarantee given to the Cedula bondholders that of the Government of the Republic, there would be no question as to its being redeemed; but the Government of the Province are, it must be confessed, little better than a band of robbers, and again and again they have been publicly stigmatized as such. There is apparently no trickery nor subterfuge to which, under the present Administrators, they will not resort to escape from the liquidation of their just debts. The Argentine National Government has been appealed to to remove the blot of discredit which the Provincial Government have succeeded in bringing upon the whole Republic, and I have small doubt in my own mind that eventually the Federal Government will respond. I further consider that the Ministry would have acted before now but for the strong Anti-British feeling in Congress, where the representatives of the Province have considerable influence, and are exerting it to prevent compulsion in paying their debts. The bondholders are willing enough to reduce the rate of interest providing their principal remains intact; but the Province of Buenos Aires Government not only refuse to pay the interest, but they are now endeavouring to get the principal written down by about one-half, or, in other words, they wish to compel the bondholders to accept in discharge of the debt due to them a small percentage of the amount, while all the time the Province is well able to pay the debt in full. In August last Señor Terry, the Minister of Finance, secured permission from the Senate to reconsider the bill for the Conversion of these Cédulas (Mortgage Bank of the Province of Buenos Aires), which the Senate had previously rejected.

The Buenos Aires Cedula scandal is only one of several which exist in the Republic, and quite as bad a case is that of the Province of Córdoba. The debt was raised by the Municipality of Córdoba, mainly in London. The loan is divided into £198,400 6 per cent. bonds of £100 each, issued in December, 1887; and £595,200 6 per cent. bonds of £100 and £500 each, issued in June, 1889. Default took place in 1891, and since that time endless negotiations have been carried on, and legal proceedings have been taken to enforce the rights of the bondholders; but so far no arrangement has been come to. The most iniquitous phase of the whole matter is that the City

of Córdoba is equally in a position to pay its debts, a fact which I have positively ascertained both in conversation with high officials of the Provincial Government and numerous independent residents of the City, who know all the ins and outs of the matter. Córdoba's conduct has been variously described as one of 'spoliation' and 'swindling,' and these terms are not one whit too strong to apply to the position.

The Municipality of Santa Fé is another defaulter. It is notable that the Santa Fé Loan, which was for £257,900 at 6 per cent. in £100 bonds, was introduced by the same firm of bankers who were responsible for the Córdoba Loan. The loan was issued in 1889, and default took place in June, 1891. The Municipality then arrived at an arrangement with its creditors, the terms of which were stamped upon the bonds; but again the Municipality failed to carry out its contract, and all attempts to arrive at a fresh arrangement have come to nought. No payment has been made to the bondholders since 1893. In 1901 legal proceedings were commenced against the City to enforce the rights of the bondholders, and this is the position of affairs to-day. I may say there is no question of paying the bondholders in full; the very least that they can ever expect is a 'reasonable offer.'

There is, however, more hope for the Santa Fé bondholders, since the present Governor of the Province, Dr. Freyere, is credited with the attribute of some moral stamina, which many of his predecessors certainly did not possess. Under Dr. Freyere's new régime the financial credit of the Province promises to become re-established to some extent. Since the commencement of the fresh Governorship, the bonds of the Public Debt have risen many points in value, and inasmuch as the Province of Santa Fé has benefited by the excellent harvest, it is to be hoped that Dr. Freyere's promises will be carried out. It is as well, however, to recollect that South American Governments, unlike Lucio the fantastic in 'Measure for Measure'—'ever precise in promise-keeping'—cannot be relied upon. Other Governments of other Provinces, upon their advent to power, have made such promises, but they have left office without redeeming them.

CHAPTER VIII

Industrial Argentina—Progress of later years—Local manufactures—Class of goods made—Forgery of well-known European trade-marks—Imitation of whisky and table-water labels—Building materials—Buenos Aires Port—Demand for more accommodation—Taxation and black-mail at Prefecture of Marine—Land Companies—Trusts and industrial Companies—French capital—A new exploration Company

THE industrial aspect of the Argentine to-day affords encouragement to the belief that in a few years, if the rate of progress be maintained at its present standard, the country will be, to an extent, self-supporting. Of all the South American States, the Argentine enjoys the most favourable conditions for the development of its home industries. A few years ago the lack of capital would have precluded this view from being adopted; but to-day the Argentine can secure as much foreign money as it needs for all industrial purposes. It is likewise highly favoured by climate and soil, which enable manufacturers to secure their raw material in abundant quantities at their very doors.

Thirty years ago Buenos Aires had no manufactures whatever—except beer and flour. The Protection tariff begun in 1876 by Dr. Plaza, and every year made heavier, was the first cause of factories springing up; and if Mr. Chamberlain requires any further proof of the soundness of his argument in favour of Protection for Great and Greater Britain, he has only to cite the experience of the Argentine Republic during the time that Protection has existed.

The Republic claims the possession of over 25,000 shops and works throughout its boundaries, 11,000 of which are concentrated in the Federal Capital. The factories I have visited, such as those for tobacco, glassware, matches, woven stuffs, and different kinds of clothing, are as well fitted and equipped as any I have seen in Europe. The same applies to the flour-mills, wine-presses, sugar-mills, breweries and distilleries, most of which are fitted with British or American machinery of the latest pattern. At present enormous imports of canned goods, cheese, hams, dried and preserved fruit, preserved vegetables

and cereals, are received from the United States, where the canning industry is probably found at its best; but day by day the Argentine is establishing factories of its own, and is likewise going in extensively for the preparation of dried fish, of which large quantities are consumed in the country.

Liquids also play an important part in the National establishment of home industries, nearly every town and city of large population having either a brewery, distillery, or wine manufactory, and sometimes all three. The Argentinos have taken to the consumption of beer very readily. No fewer than three large breweries exist in Buenos Aires, having a capital of over \$2,000,000, but this does not preclude beer—English bottled especially—amounting to another \$15,000,000 in value, from being imported. Outside Buenos Aires there are another twenty-nine breweries, apparently all doing well, their output for last year exceeding 23,000,000 litres.

The production of alcohol is quite unrestricted in the Argentine, and without taking into account the many distilleries connected with the sugar-mills, to which I have referred in another portion of this book, there are over 130 well-equipped establishments for distilling alcohol from grain and wine. The sugar industry in the Argentine is practically confined to the State of Tucumán, although it is pursued on a smaller scale in the Provinces of Santiago, Jujuy, and Salta. The cane is being grown now, with more or less promising results, in the Territories of Misiones, Chaco, and Formosa. The production of sugar is steadily but not sensationally increasing. Generally speaking, it costs \$100 (equal to, say, £10) to plant 1 hectare of sugar-cane, but once planted, it will remain in a condition of remunerative production for fifteen years or longer. Each hectare ought to produce between 25,000 and 35,000 kilos of cane; but an exceptionally favourable season has been known to produce as much as 46,000 kilos to 1 hectare. Speaking with the Manager of one of the largest factories in Tucumán, he was of opinion that 150,000 tons of sugar should be produced in the Republic for 1905, but of this not more than 40,000 tons would be exported.

Up till now the Argentinos have succeeded in turning out very respectable clothing and haberdashery, large quantities of locally made foot-wear, shirts, gloves, underclothing, umbrellas, hats, and suchlike goods. Unfortunately, they are not content with their own brands; a good deal of piracy of European trade-marks goes on, and apparently unknown to the European proprietors. Upon several occasions I noticed the well-known brands of English firms being used for obviously Argentine-made goods. This does not only apply to such articles as I have mentioned above. Popular British brands of whisky



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**The engine-house of the Rosario Consolidated Waterworks Co. Ltd. from
main entrance at Rosario de Santa Fé**



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**The Rosario Consolidated Waterworks Co's. Filtering Beds at Rosario
de Santa Fé**



especially are closely imitated in respect to both label and bottle. I noticed this in regard to two well-known drinks, 'Black and White' whisky and 'Apollinaris' table-water. Mr. Buchanan's bottles were copied in *facsimile*, as also were his labels; but, unfortunately, the former contained a very worthless imitation of the well-known 'Black and White' brand, which speedily convinced the consumer that it was a meretricious copy only. I was assured at several well-known restaurants and hotels where I inquired for the genuine liquor that Buchanan's 'Black and White' had fallen off considerably in sale owing to the cheaper article which was being sold as his throughout the country. In regard to the Apollinaris water sold, besides the genuine article, of which great quantities are consumed, there is an 'Apollinari,' the well-known orange-coloured label, with a fountain in the centre, being copied in *facsimile*, so that probably five people out of ten who ask for 'Apollinaris' are supplied with 'Apollinari,' and perhaps fail to detect the fraud.

In regard to woven goods, pretty nearly every line is manufactured locally, with the exception, perhaps, of woollen blankets and army-uniform cloth. The Argentino excels in the manufacture of 'ponchos,' which are very heavy, warm cloaks, extremely comfortable and graceful in appearance, made to fit over the shoulders, but without any sleeves. Our nearest approach to these 'ponchos' is the rug-coat, which was introduced some years ago by an enterprising tailor, and which could be used either as a travelling-rug or an overcoat. The 'ponchos' are used by the Estancieros (owners or workers on the estancias), and when on horseback their bodies are covered completely except the hands, which are left free for the reins.

Woollen and mixed goods, cotton stuffs, and hosiery generally, are also manufactured locally, most of the factories being situated in or near Buenos Aires.

The amount of building which has gone on lately in Buenos Aires and other big Argentine cities has been greatly facilitated by the local manufactures of the necessary building material. These include saw-mills, lime-kilns, carpenters' shops, turners, brick-kilns, stonemasons' yards, tile and general earthenware works. Nearly all the hotels and private residences are fitted with sanitary appliances made by the British firms of Doultons, Rogers, and Jennings, whose manufactures, by-the-by, I have come across in every part of the world. Other industries such as metallurgy, chemical products, printing, tanning, etc., are making marked progress, and promise at a very early date to have a considerable effect upon European and American imports.

Large and well built as they are, the Docks at Buenos Aires are

to-day found far too small and limited in number for the enormous amount of shipping now coming continuously to Argentina. Moreover, no vessel drawing more than 22 or 23 feet of water can enter them, and nearly every day a liner loses twenty-four hours by just missing the tide to take her out.

The Madero Docks (named after the concessionaire Eduardo Madero) are three miles long, and have a sea-wall of that length to support them. It took five years to build these docks, and they cost over £8,000,000. There are also the Boca Port Works, four miles away from the City, and the fine Southern Railway Dock 'Sud.' But the demand for more dock accommodation is pressing, and the Argentinos are already undertaking at least one huge Port—that of Samborombon. A Commission recently rendered a long and interesting Report to the Government, pointing out how the Port of Buenos Aires could be made more useful and become less congested. There were twenty-eight different recommendations, but how many of them will be adopted?

A good deal of harsh and unfair taxation prevails at the Buenos Aires Port, and much red-tapeism also. The Prefecture of Marine have it practically in their own hands, and they manage to 'do' some of the ship-owners and captains pretty thoroughly. The minor officials demand just whatever they want for their own private requirements—coal for their launches, paint for their boats, and provisions for their own consumption. To refuse their exactions would mean persecution and obstruction, including an entirely unnecessary overhauling of a ship's stores and equipments on the pretext of seeing if anything has been omitted from the store-list. If an accusation can be brought home—and by false swearing and manufactured evidence it generally can—fines are imposed on the ship-owners, and bills of health and other papers are aggravatingly delayed. On the whole, it pays better to satisfy the rascally blackmailers, and thus get rid of them. The abuses, I am credibly informed, are daily augmenting in both number and seriousness.

To enumerate all or even the greater part of the many successful enterprises in the Argentine which have been started and are being worked with British capital would occupy far more space than can be found in this volume. Indeed, they are sufficiently important and merit sufficient study to secure a volume to themselves, and one day this may be supplied. Certain it is that the general public have no conception of the amount of industry which is being conducted in South America generally, but in the Argentine in particular, entirely with British capital, although the dividend notices which appear almost daily in the public press should be sufficient to prove

that at least a considerable portion of this capital is reproductive.

Among such enterprises, by far the largest profits have latterly been made by Land Companies. Of these there exist quite a number, and most, if not all, are doing extremely well, on account of the rapid rise which the value of land has attained. The transition may be attributed to the sudden awakening of the Argentinos to the fact that their country, which was at one time considered only good enough for sheep and cattle or horses and mules, is really one of the finest wheat-producing lands in the world.

The Argentine Land and Investment Company, Limited, although not very long in existence, has had a very successful career. Last year it made £27,602, as against £21,529 for the former, whereas this year the profits will probably largely exceed this amount, inasmuch as there is a steady demand for sites and 'quintas' in the Company's towns. The Company possesses some very valuable land situated at Belgrano, near the city of Buenos Aires.

The Argentine Southern Land Company owns 262 square leagues, or say 1,619,063 acres, all from fair to excellent quality. The whole town of Port Madryn also belongs to the Company, with the exception of some land retained by the Railway Company for railway works. The total number of ships entering and clearing from Port Madryn in one year, 1904-5, was over 90, against practically *nil* a few years ago. None of the Company's land has been sold, their policy being to hold for higher prices, while the profits have been entirely derived from farming and its adjuncts. Dividends of 4 to 5 per cent. have been paid since 1902. These represent only a portion of the profits, as the capital expenditure has been met out of revenue for many years.

The position of the Consolidated Trust, which holds large vested interests in the Argentine, has materially improved during the last year.

The River Plate and General Investment Trust is another enterprise which has been steadily increasing of late, and a further improvement was made during last year, when the Company was able to declare $\frac{1}{2}$ per cent. higher dividend and carry forward a larger balance than ever before.

Next to the Land Companies, probably the Gas and Electric Light Companies have made the most progress, which can be readily understood in connection with a country which has advanced as rapidly as the Argentine has done in the appreciation of the comforts of life. The oldest and one of the most successful of all is the Primitiva Gas of Buenos Aires, the shares of which are exceedingly popular and largely held

in the Argentine itself. This Company is particularly fortunate in having the right to supply both electric light and gas. But, satisfied with the business done in the latter commodity, the Company sold its electric light business to a German concern, which brings it in an annuity of £30,000 a year for forty years. The German shareholders are quite satisfied, and so are the British.

The Buenos Aires (New) Gas Company is proving no less successful. It has been in existence some thirty years, and has probably never done as well as it is doing at present. It has lately taken over the business of the South Baraccas (Buenos Aires Gas and Coke Company), which must inevitably add to its annual profits.

The River Plate Gas Company, which has existed some seven years, has issued the best balance-sheet since the formation of the Company. Its incandescent lighting is very popular in Buenos Aires, and has advanced enormously in sales during the last twelve months, while it also does a considerable business in cookers and heaters. As an evidence of how enterprising this Company is, I may mention that in one year it took on 1,957 new house services, and extended its network of mains by about 10½ miles, bringing it up to a total of 409.

The only concern which does not appear to have shared in the general prosperity is Bright's Light and Power Company, Limited, which professes to have been robbed 'in a shameless manner by the Argentine Government.' From what I can make out, however, it is against a certain Señor Gonzalez Segura, who formerly held the power-of-attorney of the Company, that it has a claim; but the whole matter is in the hands of Mr. Haggard, the British Minister in Buenos Aires, and the Minister of Justice; with his usual zeal and discretion, the Minister for Great Britain will no doubt see that justice is done to the English Company.

The River Plate Trust Loan and Agency has an interest in several concerns, all of which are well looked after, but just at present the amount of money offering for investment in mortgage loans in the River Plate is so abundant that the rates of interest have had to be considerably lowered. Nevertheless, huge profits have been earned in the past, of which the Company seems to have made the very best use, and is reaping the reward to-day.

The United River Plate Telephone Company shows a substantial increase in its receipts, and is able to pay the shareholders a dividend of 8 per cent. So large has the business of this Company become that it has recently made a new issue of £60,000 worth of shares, which have been readily subscribed.

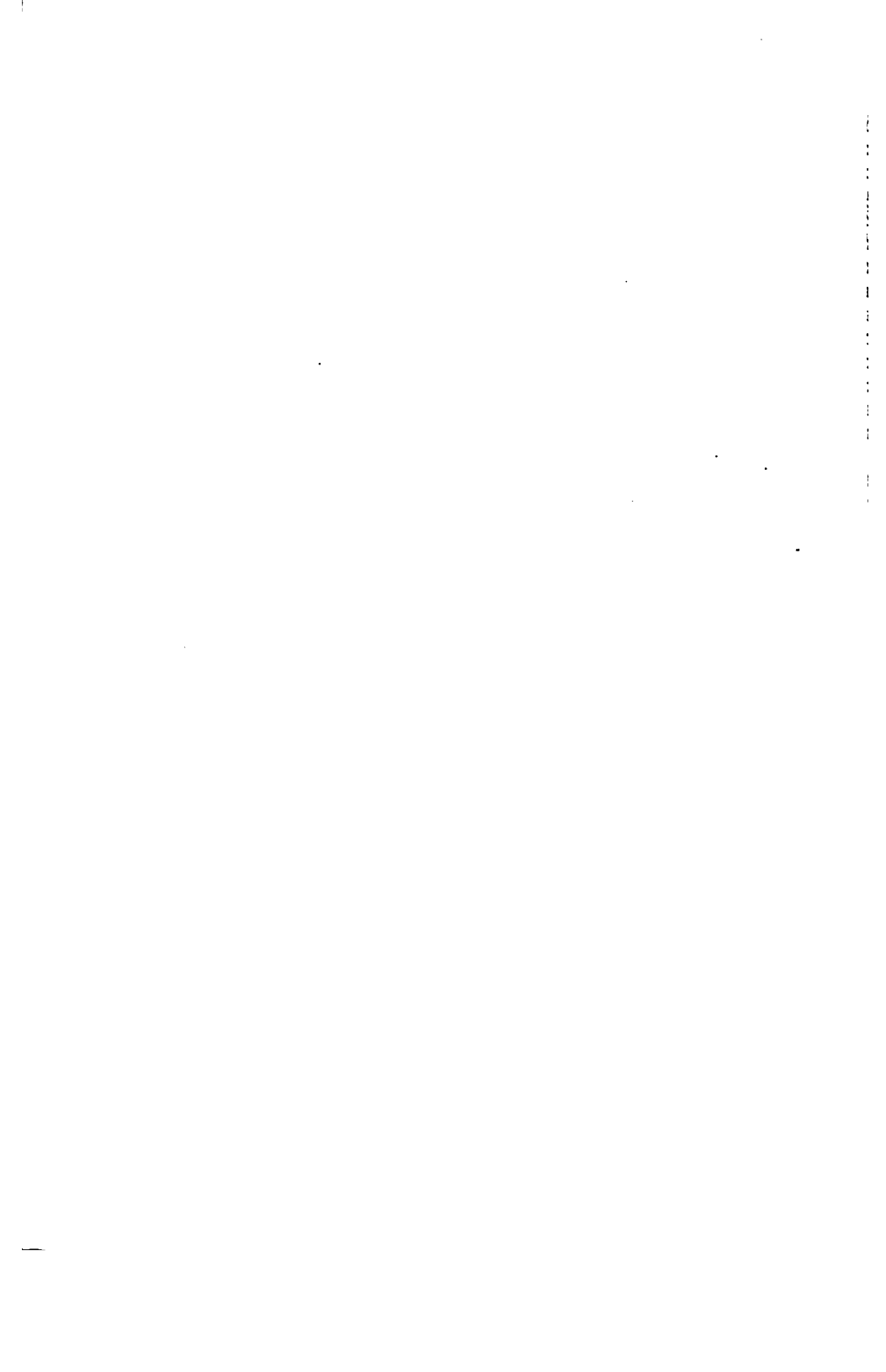
While all the old-established Companies are apparently



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REVOLUTION IN ARGENTINA

Exterior view of the Palace of the Governor of Mendoza, after attack by Insurgents. Observe the numerous bullet-marks round the casements



doing so well, it is only natural to see a vigorous attempt made to start others, especially when money for all Argentine industries is so plentiful. One of the biggest schemes is the £7,000,000 Port Trust, the object being to build a port at Samborombon, together with certain railway lines. As I have stated already upon p. 51, the Port of Buenos Aires has proved wholly insufficient for trade requirements, and another port is absolutely necessary. The bay of Samborombon is said to be an ideal place for such a port, and inasmuch as the whole of the money has been subscribed, it is more than probable that it will be built. French speculators are likewise casting their eye upon the Argentine. Recently they obtained a concession from Congress to build a network of narrow-gauge railways in the province of Buenos Aires and Rosario.

Up till now French capital has not been largely invested in the Argentine, but recently one of the Senators, Señor Calvet, made a trip to Paris, with the result that he has come back to the Argentine with almost unlimited credit at his back, and this new railway scheme is the first result of his campaign.

The South American Exploration Company, Limited, is a concern which was registered in England some months ago, with the idea of 'exploring for mines,' among other things, but so far I have not heard of any new discoveries having attended its efforts. This may be, however, on account of all the money required being subscribed privately, and no public issue being, for the moment at least, contemplated. Several leading city men are, it is understood, interested, including Mr. R. F. Bayliss, of the Explorations Company, Limited; Mr. H. Mosenthal, Mr. J. D. Ryder, and Mr. O. E. Warburg.

The silkworm industry has lately shown a notable development, especially in the provinces of Santa Fé, Córdoba, and Tucumán. A silkworm cultivator assured me that in the three provinces I have named there would probably be more than 5,000,000 mulberry-trees, and these alone represent a value of \$3,000,000 paper.

CHAPTER IX

Wheat-growing—Production twenty years ago and now—Argentina the future granary of the world?—Competition with Canada for supremacy—Difficulties of a heavy harvest—Railway congestion—Lack of labour and threshing machinery—Landowners and renters—Their relations—Needs for grain cultivation—Elevators—Necessity for their erection—Feeling of grain buyers and grain growers—The Rosario Railway Company's huge elevator at Buenos Aires—Capacity for receiving and discharging—Cotton-growing—Future prospects and present requirements—An experimental farm wanted—Entre Rios experiments—Successes at Chaco and Misiones

THE Argentine stands alone among the South American States as an exporter of cereals. Little more than thirty years ago the country was importing grains for its own consumption from the United States or Chile, and even from far-off Turkey; but to-day she is supplying a great part of Europe, and promises, at no distant date, to take position as premier wheat producer of the world.

At one time it was thought that Canada would possess this distinction, but the Argentine will for many reasons beat her in the race for supremacy. Enormous, however, as the output of grain is and will be, cereal-growing is only one of the industries in connection with which Argentina is earning distinction; and what an enormous territory is there available!

It is estimated that there are 104 million hectares of arable land fit for immediate cultivation; another 100 million hectares which at present can only be used for stock-breeding; and 91 million hectares comprising partly woods and partly mountain, but possessed of abundance of wealth in the form of lumber and minerals, and portions of which are well suited to sheep-grazing.

Of the 104 million hectares mentioned above, only some 10 millions are actually under cultivation. Day by day, however, the wheat area is spreading, more particularly in the regions of the railways, which are naturally doing their utmost to encourage farmers in their enterprise.

Prosperous as they are, the Argentine farmers have yet much



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REVOLUTION IN ARGENTINA

Private room in the Palace of the Governor of Mendoza after the attack by the Insurgents, Feb. 1904. Observe the bullet-marks on the walls and ceiling

... ..

to learn about cultivation. They are at present squandering their resources, but with a system of scientific farming such as is pursued in the United States of America and Canada, the output, gigantic as it is, might be doubled. Perhaps it is as well that this is not the case at the present time, however, for during this year every wheat-carrying railway has found its resources taxed to the very utmost, while the principal 'granger,' namely, the Buenos Aires Great Southern, was congested for months, piles of wheat, amounting in some cases to 900,000 bags at one station, remaining unloaded for six or seven weeks. This was partly owing to an insufficiency of rolling-stock to handle it, and the lack of facilities at the Port of Bahia Blanca. The harvest this year in the Argentine has proved a double-edged weapon. Whereas some farmers have secured good prices for their harvested wheat at the commencement of the season, hundreds of tons have been thrown on the hands of others from sheer inability to get it threshed, or, when threshed, conveyed by rail to the ports. Probably next year the experience may be repeated, for the necessary export improvements cannot possibly be effected within a period of twelve months. No doubt, however, in time things will arrange themselves, but it will be a struggle for the railways which handle the grain to keep pace with its production. Probably the best thing that could happen would be a poor harvest for next year, as this would afford everyone, the railways included, time to make up lost ground.

The difficulties which wheat farmers have to face are not confined to the lack of railway facilities already referred to. There is the question of labour, which is daily becoming more difficult of solution. Immigration is not proceeding as rapidly as could be desired, and although wages range high during the harvest season, the number of workers presenting themselves are becoming fewer and fewer. Added to this are the pernicious Anarchical teachings, which naturally produce a feeling of dissatisfaction and animosity, destined to lead to serious friction between the employers and employees.

The light-hearted Argentinos, who know or care nothing about these matters, are apt to scoff at such predictions; but those who have considered the question, as I have done, dispassionately and disinterestedly, who have moved about from province to province and territory to territory, who have interviewed both the masters and the men, and have had long conversations with the strikers themselves, can arrive at no other conclusion than that to which I have pointed.

No such arguments can be brought to bear in relation to the Argentine workmen as are continually dinned into our ears by the Socialists at home. I know that there are Socialists of

great worth and honour, and I have not the least desire to denounce wholesale a class of thinkers and reformers who include such a man as Jean Juarez, the President of the French Chamber of Deputies. Although it may be true that 'the rich may grow richer,' the poor are certainly not becoming poorer, while the latter are enjoying concessions and wages which their fathers little dreamed of. With the total increase of the wealth of the country their lot is bound to become improved, while some of them are becoming small capitalists on their own account. There need not necessarily be a single unemployed individual in the Argentine, as there is abundant work, and even keen competition for services, throughout the Republic. Work being voluntary and remuneration ample for such services as are rendered, one would imagine there could be but little field for the teachings of Anarchism; but experience proves otherwise.

At the present time the growing of wheat is carried out:

(a) By the owner of the farm and his family, with or without help.

(b) Upon rented land, payment being made in cash or equivalent to the same in crop.

(c) In partnership with the landowner, the latter taking 50, 40, or 30 per cent. of the crop.

For anyone requiring to set up in business on his own account there are many serious questions to consider, more especially as land is continually rising in value, and has at present attained, I will not say a 'fictitious' value, for that has yet to be proved, but a much higher value than the cautious investor would be disposed to place upon it.

The greater part of Argentine land is held by a relatively small number of owners, and statistics prove that more than 400,000,000 acres are in the hands of about 100,000 proprietors, an average of 6 square miles each. Most of the large owners utilize their land for grazing purposes, and thus the land remains to a great extent in the state of nature. It is usual for a large landowner to rent portions of his ground for a term of three years, the renter doing all the cultivation, if there be any, and being liable to be turned out at the end of this period without any compensation.

While the average Argentine estate usually provides a fair income to the actual owner, the far fewer number of renters and labourers come off anything but well. The renter has no permanent interest either in the land or the community, all his future being wrapped up in the crops or stock which he personally owns, but which may any day be snatched from him by a bad harvest or disease. He has, as a rule, no financial resources, and neither expects nor receives any consideration or assistance from the landowner.

I have often been asked upon what amount of capital a young man could proceed to the Argentine to pursue farming as an occupation. It is a question which permits of no satisfactory or definite reply. Much—nay, all—depends upon the character of the location he selects, the amount of enterprise which he displays, and the conditions under which he elects to work. It would be much easier to render a more exact answer in regard to wheat-farming in Canada, where everything is on a more settled and stable basis, where the supply of labour can be more fully relied upon, and where the ranges of climate are not so varied and uncertain as they are in the Argentine.

How grain should be handled so as to enable the enormous and ever-increasing supplies to be dealt with at the ports, as well as in store, as expeditiously as possible is a very moot question with all farmers, railway companies, and shippers alike. The process of receiving the grain in bags on trucks at the port, where it is ripped up and thrown into the ship's hold quite loose, is shown in photographs elsewhere. But the provision of elevators would no doubt much simplify matters, both for the producers and the exporters. The question may be asked, 'Why, then, are these elevators not provided?' One reason is they are exceedingly costly to build (*vide* that described on pp. 60, 61, belonging to the Rosario Railway Company, and which cost £330,000); another reason is, the farmer of Argentina, like that of Chile, has not yet learned the value of the elevator as a store, nor to trust his precious grain out of his own keeping. But he is learning gradually. It is already different with the grain buyer.

Mr. J. R. Davis, who made a report upon elevators for country stations on behalf of the Great Southern Railway Company, says: 'I have found that the local grain buyers at country stations are without exception well disposed and anxious that elevators be constructed, and that the present system of transporting grain in bags be changed to that of transporting same in bulk. The following are a few of the advantages that would be derived from the bulk system in favour of these buyers:

'Working under the present system, the average cost per bag for the handling from carts until loaded into waggons is about $4\frac{1}{2}$ cents paper, not counting the cost of tarpaulins or charges for storage when stored. This is equal to, say, on the basis of a special train of 500 tons, \$337.50 paper, equal to $67\frac{1}{2}$ cents per ton, while the total cost when loaded through an elevator would be about $27\frac{1}{2}$ cents per ton, including rent, fuel, and clerk hire, the rent taken at the basis of \$1.50 gold per ton per annum storage capacity.

The local buyer is also enabled to mix his grain in order to

form one or more regular types, according to the grades and classes produced in his section. In this way he can dispose of his lower grades to a much better advantage, at the same time avoiding questions with the exporter on account of the grain not running equal when delivered. It is also a great advantage for the local buyer to be able to clean all low grades of wheat in order to sell the same at its maximum value. At the present time the discounts are very heavy on grain containing foreign seeds, dirt, etc.

'The greatest advantage to the local buyer in having an elevator is that he can get a much quicker despatch. He loses less time in the receiving and storing of the grain on its arrival at the station, and is enabled to load same much more rapidly and with less labour. At the present time it requires thirty peones a full working day to load a special train of 500 tons, and in case of rain they are unable to work, while with an elevator of 2,000 tons storage capacity a special train of twenty 40-ton waggons can be loaded in two hours and twenty minutes, working either day or night, dry or wet weather, with only five men, including a clerk.'

One of the most notable pieces of enterprise upon the part of any Argentine Railway is assuredly the very fine terminal grain elevator erected by the Buenos Aires and Rosario Railway, at the cost of over £330,000. The plucky enterprise has, unfortunately, not proved as remunerative nor as serviceable as estimated, but this may be attributed to the supineness and the nervous hesitation of the average Argentine buyer of grain.

The bulk capacity of this elevator, or rather series of elevators—which form, with their high central tower and many sections of white corrugated iron, the most conspicuous object in the city when approaching it from the Rio de la Plata—is 9,600 tons. There are six shipping silo towers, each having a capacity of 900 tons an hour, or 150 tons each silo per hour. Besides these, however, 450 tons per hour can be received and stored in bulk on the floor. The storage capacity of the three shipping blocks next to the No. 2 Dock amounts to 24,500 tons in bags.

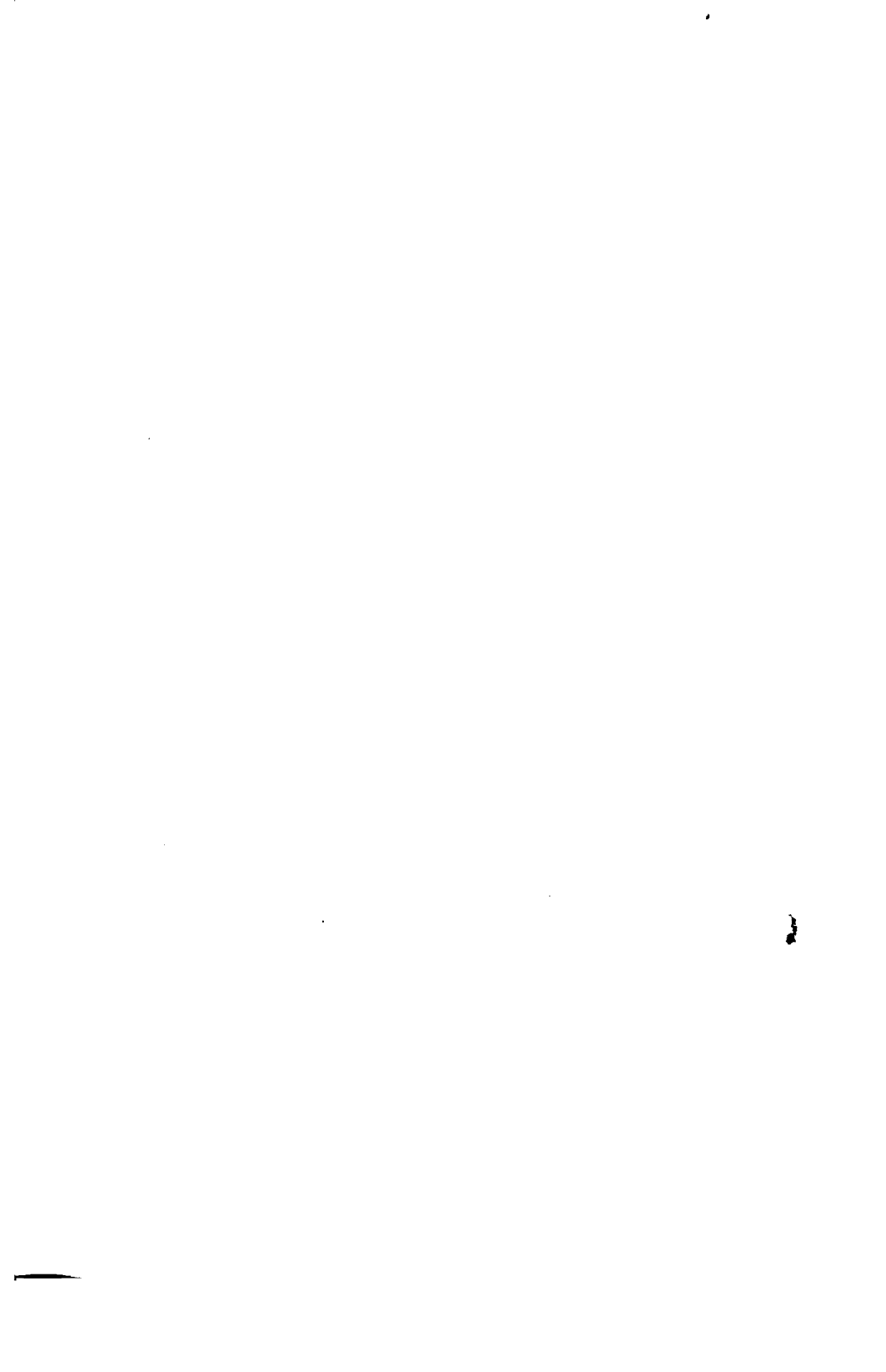
The main silo tower storage capacity is 19,500 tons, and grain is received into these silos at the rate of 750 tons per hour, and put on board ship at the rate of 900 tons per hour. I am informed that the main bulk silo towers can be completely filled in the course of twenty-six hours, and, although this has never been actually done, there is no doubt the opportunity alone is lacking to confirm the statement. The bulk total of all the grain that can be received into the whole block of warehouses is 2,400 per hour. As to the total bulk capacity of the whole



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THE SUGAR INDUSTRY OF ARGENTINA

The Works of La Azucarera Argentina at Concepcion-de-Tucuman



of the silos, this is 29,100 tons, and the total sack storage, not in the least interfering with the bulk storage, is 47,000 tons, or a total sack and bulk (loose grain) capacity of 77,000 tons.

The machinery employed in these remarkably-equipped elevators is the best of the kind I have ever seen, and one would be inclined to say that the last word as to electrical elevator mechanism has been said. The whole of the machinery is driven by electricity, each band and elevator being furnished with its own individual motor. The power is taken from four gas-engines, each of 250 b.h.p., totalling 1,000 b.h.p. for the four engines. The speed at which these engines work is 160 revolutions per minute. There are direct-connecting continuous current generators, giving off current of 525 volts, which drive the thirteen elevators, each of handling capacity of 150 tons per hour. The speed of the belts is 250 metres per minute, and when working at high speed the effect of the fast-speeding belts is very impressive.

A very fine plant of Dowson gas supplies the necessary gas to the engines, and this installation consists of four gas generators, each capable of generating gas for supply of one engine, with the necessary scrubbers, cleaners, and gas-holder complete, the generators being fed with anthracite coal.

I was particularly struck with the scrupulous cleanliness of the floors of the elevators, and this may be accounted for by the admirable provision of all elevators with dust-collecting plant, there being separate fans fitted for each elevator, and a 'cyclone' dust-collector. The whole building is fitted up with telephonic communication, requiring some sixty different instruments, while a perfect system of incandescent electric lighting renders working at night as easy as by day. It may be worth recording that the building, which is erected upon ground which a very few years ago was a mudbank washed by the waters of the Rio de la Plata, contains 60,000 tons of concrete, and the total area of floors, discounting the basements and sub-basements, is 21,210 square metres. The elevator buildings themselves cover an area of 12,000 square metres. This fine building is the product of entirely British material, the whole of the steel framing coming from Messrs. P. and W. Maclellan, Limited, of Clutha Works Glasgow, and The Horseley Company, Limited, the machinery and plant from Messrs. Hick, Hargreaves and Company, Limited, Bolton, Lancashire, and all the concrete from various firms in England. The electrical plant is by the Lancashire Dynamo and Motor Company, Limited, of Manchester, and all the work has been designed by the London firms of engineers—Sir Douglas Fox and Partners, Livesley, Son and Henderson. The gigantic elevator was commenced on October 1, 1901, and finished on August 27,

1904. Mr. A. G. Goodliffe is the manager of this great enterprise.

In addition to wheat, profitable cultivation may be undertaken in the Argentine of barley and oats; rice, of which but little is grown considering the facilities which the country offers; potatoes and root crops, both of which are rapidly increasing, especially in the Department of Buenos Aires and the south of Santa Fé; sweet potatoes, which grow exceedingly well in the Argentine soil, particularly in the province of Buenos Aires; and beets and Jerusalem artichokes, which grow in all parts of the country.

Cotton-growing has lately been undertaken in the Argentine, and, on the whole, with encouraging success. From my experience of the industry in other parts of the world, I should say that the northern regions of the Argentine are very well suited to cotton-growing, the specimens I have seen being of a superior quality as to staple and productivity.

So far, however, cotton-growing on a commercial scale has met with so little encouragement, on account of the heavy fall of prices, that hardly sufficient gauge can be formed. According to the Belgian Consul at Buenos Aires, in the territory of Chaco alone there are 5,000 acres of cotton under cultivation, besides about 1,000 acres in the territory of Misiones, and the production of both territories has been sold by contract for four years to come. The quality of the cotton already produced is said to be equal to that of Louisiana cotton. Since the publication of the above facts there has been so rapid a development, that, according to some, upwards of '500,000 acres have been taken up for cotton plantation.' The latter statement is no doubt an exaggeration. Should it ever become a great national industry, as it very well might do, special legislation would have to be passed by Congress to protect those who invest their money in the enterprise. Before laws could be passed, it would be necessary for a very careful agricultural survey to be made of cotton-growing lands, and to establish at some central point a cotton experimental station and demonstration farm. While travelling on the Entre Rios Railway, I closely inspected an experimental cotton plantation upon the ground of the Entre Rios Railway Company, which afforded every indication of success. A great deal depends upon judicious management and the garnering in of the crop; but it is not possible to form a definite conclusion from a small patch such as this was, nor after only two years' experiment.

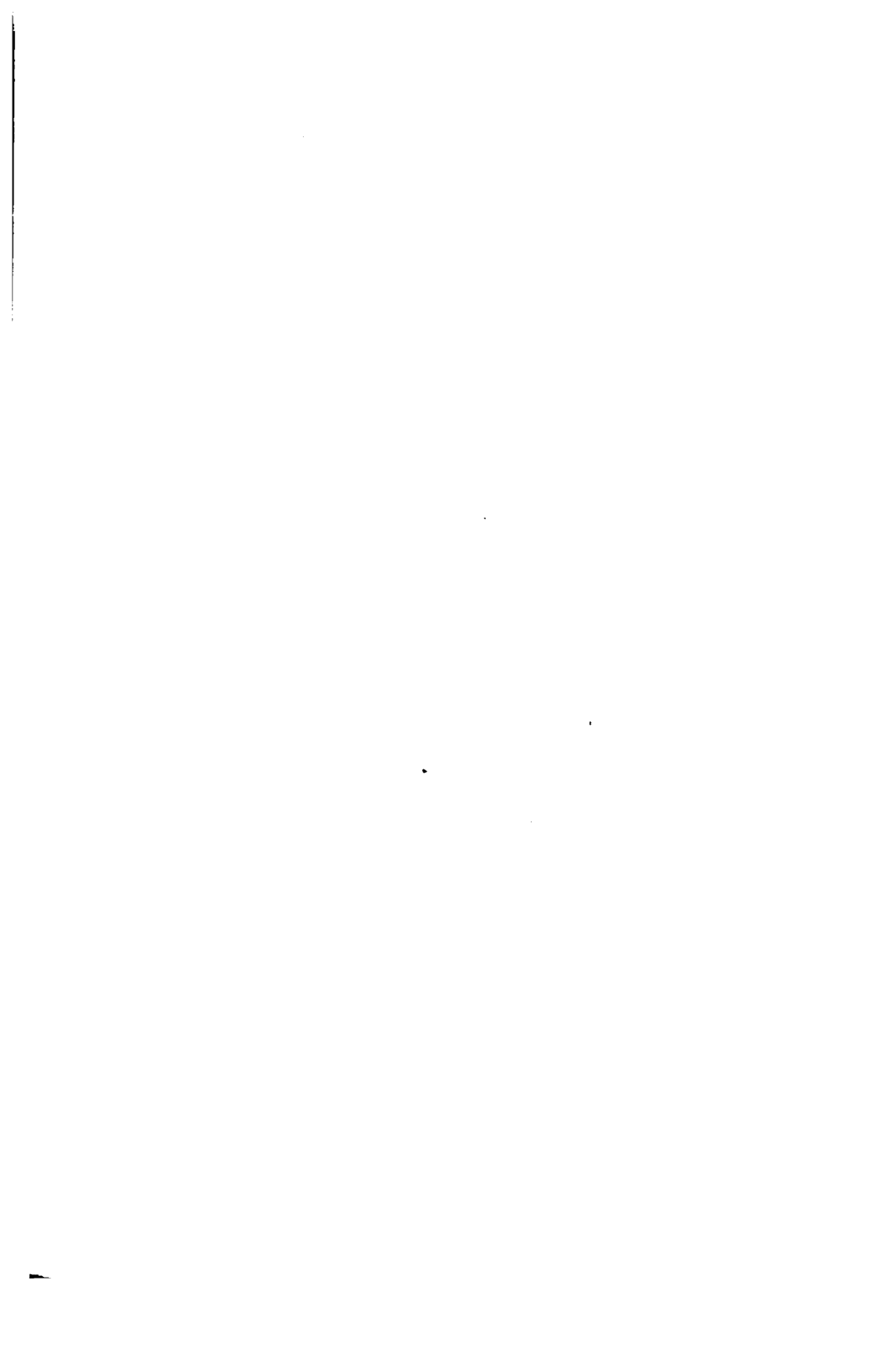
I should say that in order to make cotton-growing pay in Argentina it would be necessary also to grow other crops in rotation with it, so that the experimentalist would have something certain to depend upon. No specimens which the Argentine



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HARVEST-TIME IN ARGENTINA

Wheat Wagon on Buenos Aires and Pacific Railway, 41'6 tons, tare 12'76



has produced have yet exceeded in quality of staple the best Sea Island of the United States or the finest product of Egypt. But this is not to say that with careful cultivation an equally fine supply could not be produced. In all likelihood it could. The Government, I am informed, have before them the idea of establishing an experimental farm, such as I have referred to, and if this is done all question of the possibilities of cotton-growing on a profitable basis in the Republic can speedily be set at rest.

CHAPTER X

The Law and how it is applied—Scandals among the lesser provincial courts—Provincial courts—Police—Buenos Aires police compared with those of other cities—Increase of crime—British proportion—Charges against Buenos Aires police—Refusing first aid to accident cases—Prisons and Prisoners—Penitentiary figures—The national lottery—Danger arising to the community

LAW is administered in the Argentine by a Supreme Federal Court, with a Federal Judge in each province, who has full but not final jurisdiction over Argentine disputes with foreigners. Every province has its own judiciary, from whose decision there is appeal to the Federal Court.

That occasional abuses of judicial powers occur in the smaller provincial Courts there is no doubt, and only quite recently the newspapers heard of a choice piece of scandal, which they forthwith pounced upon and exposed with the usual withering comment. It seems that the affair was between a Santa Cruz Judge and his Registrar. It transpired that 'when the will of the late Mr. Monroe had been opened and registered in Gallegos, a document was presented by the lawyer claiming \$6,000 paper for his fees. This document was surreptitiously withdrawn by the Registrar and another substituted, in which the amount claimed was fixed at \$15,000 paper. Another instance was afforded by the registration of the Molesworth will, where a document claiming \$4,000 fees was substituted by another for the sum of \$45,000. In each of the preceding the sums were paid by order of the Judge.' Apparently, British probate duties do not hold the world's record as exactions.

Several accusations of bribery and blackmail have been proved against lesser fry of the Argentine judges; while any foreign resident in 'the Camp'—that is, the open country, where the estancias are situated—can tell stories of highway robbery by the police, assisted and even directed by the local Commissary. Argentina is no doubt emerging by degrees from her dark days in regard to legal abuses, but she has not quite come out into the daylight yet.

In theory—as is so often the case in South American

Republics—the Government of the city of Buenos Aires is admirable. The spirit of equity, however, plays but little part in actual administration. There is an Intendente, or Mayor, and a Council of 31 Members. Under them is the Chief of Police, and under the Chief are 28 sections of the city, each having its Commissary. The total police staff consists of some 350 Commissaries, Inspectors, etc., and 3,050 policemen, or, with sergeants, about 3,500. It is more than enough, however, considering the population. The proportions in other big cities, I believe, are 1 policeman for every 350 inhabitants in London; 1 in every 288 in Paris, and 1 for every 160 in Berlin. The proportion for Buenos Aires is twice that of London. This is accounted for by the rapid increase of crime. According to official returns, there were, during the year 1904, no less than 2,565 persons arrested in Buenos Aires for various offences against the law of the land. Of these offenders, only 971 were Argentinos, thus leaving 1,594 foreign law-breakers to be accounted for. There were 1,535 Latin-American and European cases: the Germanic came first with 18; then the Anglo-Saxon with 16, and the Slavonic with 5. There were 20 individuals whose origin was unknown.

It will be seen that the British section gave very little trouble to the authorities, and some of the sixteen arrests mentioned were 'extradition' cases—that is to say, criminals of British nationality who had escaped to, and had been apprehended in, the city of Buenos Aires upon a London police warrant.

Many and serious have been the complaints uttered regarding the conduct of the police in some of the States of the Argentine, and more especially that of Buenos Aires. The daily native and foreign press are indefatigable in drawing attention to the cases which happen to come to their notice. Personally speaking, however, I found very little cause for complaint, my experience of the Buenos Aires police leading me to regard them, as a class, as courteous, well-behaved, and zealous officials. Comparing them with the police of such cities as Rio de Janeiro, Monte Video, and some towns in Chile, I certainly consider them a respectable and exemplary body of men. They are decidedly not beautiful to look upon, being apparently recruited from the most diminutive and least imposing ranks of the people.

Much abuse is hurled at the police for upholding an old existing order which prevents any assistance being rendered to anyone who is injured in a street accident. It is absolutely illegal for any except a qualified surgeon to render first aid, and time after time men have been known to die in the public thoroughfares for lack of this necessary attention. A former Chief of Police issued an instruction to the effect that 'any policeman permitting a civilian to intervene in case of accident, and who did not prevent assistance being rendered until the

officer in charge of the nearest police-station arrived on the scene, would be instantly and summarily dealt with.' That preposterous ordinance exists to-day, and upon it all the police in Buenos Aires and other Argentine cities are bound to act. No doubt some unintentional injury is sometimes occasioned to patients by wrongful treatment; but the balance of opinion is surely cast in favour of rendering first aid, though that aid may even be clumsy and insufficient. The Argentine police assert that individuals—even with the best of motives—instead of relieving patients, sometimes contribute to their danger through the absence of a practical knowledge of what to do. They argue, therefore, that the remedy is worse than the disease; but this is a strange and distorted view to take, and I do not think that any victim of such a regulation would feel thankful for its provision.

An instance of this kind took place whilst I was in Buenos Aires. One of the crew of the steamship *Cambrian King* fell overboard, but his body was recovered by his comrades. While attempting to apply first aid to the half-drowned man, the police arrived and demanded his body, forcibly stopping any further attempt to restore animation until the Commissary arrived. Naturally the man died, and immediately an outcry against such inhuman cruelty on the part of the police made itself heard. But the order remains in force, and is likely to do so indefinitely. This is by no means the only instance that might be given, but it will suffice.

While writing about the police, it may be necessary to say a word about prisons and the prison system of the Argentine. It is sad to have to record the fact that the sanitary arrangements in most of the Argentine prisons are extremely bad. Only lately have untried prisoners been submitted to any kind of hygienic treatment. Many of the penitentiaries have been deficient in pure water; but this latter cause of complaint has now been remedied. The penitentiary is used both for untried prisoners and those who have been already sentenced to short terms of imprisonment, so that the innocent and guilty alike have to live in permanent contact. Most prisoners are able to obtain anything they like from outside sources, the conveyors being the warders of the prisons, and a more corrupt and blackmailing set of officials it would be impossible to encounter. The stories related by Charles Reade in his memorable novel 'Tis never too Late to Mend' pale into insignificance when compared with what goes on every day in the Argentine gaols. That the moral condition of Buenos Aires does not improve as time goes on is testified to by the fact that crime increased no less than 250 per cent. in nine years. There are more unmarried than married men among the criminals, the proportion being 854 to 2,075, and fewer married women criminals than unmarried, the figures being 85



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TRANS-ANDEAN ROUTE TO CHILE

Valley of Las Cuevas, the frontier line between Argentina and Chile

This is the Terminus of the present Argentine-Chile Railway system, where passengers have to take coach or mule



to 109. Drunkenness is a very common fault among Argentinos, there being 14,255 convictions in one year, as against 'only' 2,968 British and 571 Germans. But this was a long time ago (1887), and things have somewhat improved since then.

The principal prison in Buenos Aires is known as the Penitentiary. It is situated at Palermo, and contains about 1,000 criminals. There is another, known as the Correctional Prison, which has barely 100 inmates. I am indebted to a police official for the following particulars of the Penitentiary population of last year: During that time there entered that establishment 611 untried prisoners, 507 sentenced to correctional punishment, 189 sentenced to imprisonment, 64 condemned to 'penitentiary,' and 68 condemned to penal servitude, making a total of 1,439, in addition to the 1,115 in the gaol on January 1, 1904. The number of prisoners of the same categories who left during the year were respectively 591, 572, 245, 31, and 114, and the numbers remaining in the gaol on December 31 last were respectively 343, 92, 184, 103, and 279, so that there were 1,001 prisoners in the Penitentiary on January 1 of this year.

One of the greatest curses from which the Argentine Republic, in common with that of Uruguay, suffers is the National Lottery. Time after time this iniquitous institution has been condemned to death, and there is at present a Law in vogue, which should come into operation on July 1, 1907, by which the two Republics simultaneously agree to abolish the Lottery. No one, however, supposes for a moment that it ever will be abolished, in spite of the admitted evil which it constitutes. The victims of the lottery gamble are usually found among employees earning but moderate salaries and the working people, who are pestered by innumerable touts to invest their savings in lottery tickets. I do not say that the lotteries themselves are unfair; on the contrary, I believe the drawings are perfectly well managed under Government control; but the vast amount of evil which they occasion can be readily understood.

The organizers of the Lottery prey upon the weakness of humanity. The tickets are exposed in numberless shop windows of the licensed Agencies, which are scattered all over the city, while hundreds of men and boys, ragged, unkempt and filthy, hawk the tickets in single numbers or in bunches in the public thoroughfares. They even board the trams and railway carriages, and meet with a large amount of itinerant custom.

It is claimed, on the other hand, that practically all the National hospitals and asylums are supported by the proceeds of the Lottery, and there can be no question that if it is suppressed the charitable institutions will find a large proportion of their income cut off. This deficiency ought, however, to be supplied by the Government, but I doubt much if it will be. As matters stand at present, it is Morality fighting Expediency.

CHAPTER XI

Meat freezing and preserving—Some notable 'Frigorificos'—River Plate Fresh Meat Company—James Nelson and Sons—The Compania Sansinena de Carnes Congeladas—Capacity and storage of various companies—Sheep and cattle breeding—The estancia—Life among the estancieros—Prices for prime beef, cattle, and sheep—The best milkers—Horse-breeding—Absence of good horse-flesh—Notable Argentine blood-stock—Some remarkable prices—Difficulties and successes of sheep-breeders—Land and current prices

IT needs no prophet to foretell that the days of huge gains in the frozen-meat works of the world are over. While they lasted, they put hundreds of thousands of pounds into the pockets of their fortunate proprietors, but competition has produced the inevitable, and although the trade will doubtless settle down into a good, steady industry, violent fluctuations in the value of meat shares have probably ceased for ever. This may not be a good thing for the shareholders; but it undoubtedly means a more easy existence for the cattle-breeders in South America, who seldom participate in the huge profits made when high prices rule in meat shares, but who invariably suffer when they decline.

The first meat-freezing works—'Frigorificos,' as they are locally called—established in the Argentine were those at Campana, belonging to the River Plate Fresh Meat Company, Limited. The place lies about two hours' journey from Buenos Aires, in a very charming part of the country, situated on the banks of the River Paraná. The factory buildings are fitted up in the most suitable style, the slaughter-houses having been entirely rebuilt and improved during the last few years. The refrigerating rooms are supplied with machinery made by the Haslam Foundry Company, Derby, and consisting of two 200-ton plants driven by triple expansion engines, of 300 i.h.p., and one 100-ton plant made by the engineering firm of Kilburn and Company, now, I believe, retired from business. The boilers are supplied by Messrs. Babcock and Wilcox, and there are fifteen of them. The electric light engines are the manufacture of Messrs. Belliss and Morcom, of Birmingham, while the dynamo

motor which drives them is supplied by the Indiarubber, Guttapercha and Telegraph Works, Limited. The condensers for the electric plant were supplied by Messrs. Wheeler. The boilers consume 160 tons of coal a day.

This Company possesses a full equipment of wool-washing and scouring machinery, which has been supplied by Messrs. McNaught, of Rochdale, the driers being by Petrie, also of Rochdale. The Company make all their own boxes used for exporting their produce, the machinery for which has been manufactured by Messrs. Ransomes, of Newark. The well-known brands of the River Plate Fresh Meat Company include the 'Reformer' brand of lunch-tongues and ox-tongues, while the 'Reformer' hides, known as 'Campana hides,' are nearly all bought up for use in local factories. All the frozen meat and chilled beef, of which, as I have said, this Company is the pioneer, goes to England, the Company having their own chartered steamers, which do the voyage between Buenos Aires and England in twenty-eight to twenty-nine days. The Company have also their own shops, numbering about 200, situated in the Midlands and on the East Coast. The General Manager of this Company, Mr. Angus, has lately retired after many years' service, and his deputy and assistant, Mr. Frederico Lindheimer, also for a great number of years with the Company, has been appointed in his place.

The second meat factory to be erected was in 1884, at Barracas, by the Compania Sansinena de Carnes Congeladas, while the third to be started was the Las Palmas Produce Company, at Zarate. Two more plants were erected in 1903 at Barracas and Cuatros, one by the La Blanca Company, the other by the Compania Sansinena de Carnes Congeladas, making two owned by this Company. How enormous has been the increase in the meat-preserving industry can be gleaned from the fact that in 1883, when it first started, only about 7,500 frozen sheep were exported; in 1896 these had risen to 1,990,000 and 9,400 oxen; in 1902 the number of sheep had risen to 3,420,000 and the oxen to 207,500. For 1905 the figures will probably amount to 3,500,000 sheep and 250,000 steers. There are altogether some fifteen beef-salting plants in the Argentine, which turn out some excellent jerked salt beef, extract of beef, and various tinned meats. The most famous meat-preserving works in the world are no doubt those of Liebig's Extract of Meat Company, Limited, who, while possessing estancias in the Argentine, have their works in the Republic of Uruguay, which I shall describe in full in my chapters devoted to that Republic.

Messrs. James Nelson and Sons, Limited, who are established in the Argentine, have as a whole had a prosperous career.

The Company's business commenced some thirteen years ago, and during this time the shareholders have received an aggregate of 110 per cent. upon their investments. On several occasions—viz., 1896, 1897, 1898, and 1903—no dividend at all was paid, but on the average it has returned a regular 8½ per cent. per annum. Messrs. James Nelson and Sons have a large interest in the business of the Las Palmas Produce Company, to which I have referred above, and which may be considered an excellent asset.

How subject is the Argentine meat trade to fluctuation in profits is proved by the fact that while the Nelson Company made £101,853 profit for last year, the year before showed only £23,877; and while in 1902 their profits amounted to £426,122, and they were able to declare a dividend of 50 per cent., the following year (1903) they fell, as above stated, to £23,877, and no dividend was declared.

Frozen Meat Companies have many kinds of difficulties to contend with—including national calamities and strikes in the countries to which they send their produce, strikes in their own country, disease among cattle and sheep, and severe competition from rivals. Hitherto South Africa has proved an excellent market for frozen meat, but this threatens to be shut against them at no distant date, owing to the industry having been established in South Africa itself.

In all probability the year 1905 will see a satisfactory state of affairs in the Argentine meat-freezing industry, so far as the export of beef is concerned in particular. The River Plate keeps up a steady supply of frozen beef to the European markets, whereas both Australia and New Zealand are uncertain in their supplies. On the other hand, the River Plate lamb is not so popular as the New Zealand and Australian lamb, but it fetches much about the same price. River Plate mutton last year is represented by 2,730,560 carcasses.

The Compañia Sansinena de Carnes Congeladas does a steady trade without any sensational features. It finds, like others, its severest competition coming from the United States and Canada, but as it manages to buy its stores in a cheap market, and the supply is fairly plentiful, it is enabled to adjust its prices to those of its competitors. This Company has attempted new markets in Europe, but up till now it has not met with much success. It is found very difficult to overcome the intense opposition of the agrarian interests. Competition is not likely to become any less keen within the Argentine itself, more especially when it is remembered that this Republic has sufficient territory for feeding 100,000,000 horned cattle and 300,000,000 sheep.

The following figures relating to the freezing and storing



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TRANS-ANDEAN ROUTE TO CHILE

**A Shelter-house (Camino al Bermejo) on the summit of the Andes (Casucha) used by travellers
at times of storm or when belated**



capacity of six of the big meat factories, personally visited and tested by me, may be useful :

Name of Company.	Situation.	Daily Freezing Capacity.	Estimated Storing Capacity.
		Carcasses.	Carcasses.
Las Palmas Produce Company (Nelson and Company, Limited) ...	Zarate	9,600	120,000
River Plate Fresh Meat Company, Limited	Campana	12,000	130,000
Campania Sansinena de Carnes Congeladas	Buenos Aires	13,500	175,000
Campania Sansinena de Carnes Congeladas	Bahia Blanca	5,000	80,000
La Plata Cold Storage Company, Limited	La Plata	8,500	150,000
La Blanca Company	Buenos Aires	4,700	80,000

Prolonged and loud are the praises which have been sounded upon the attraction of the Argentine as an agricultural and cattle-breeding country. Volumes have been written and columns of newspaper articles printed holding up the Republic as an unfailing breeding-ground, while the indefatigable Argentine Rural Society issues a 'monthly' devoted entirely to showing what may be done, rather than what has been accomplished. When all has been said that can be said on the subject, however, the one eloquent fact remains that it is difficult to come across anyone in the Argentine Republic who has succeeded in making a fortune at agriculture. Dozens of men may be met who have sold their land at a profit, and who have retired with comfortable fortunes on the proceeds; but I have never yet encountered the individual who can attribute his success to agriculture pure and simple. In Australia, on the other hand, ocular evidence of agricultural prosperity is to be seen in the magnificent residences built upon the proceeds at Toorak and St. Kilda, while in Canada also the suburban residences of Winnipeg clearly prove what agriculture can do for the prosperity of a country. It is true that in the Argentine one can see some exceedingly fine stock, but close inquiry among breeders and dealers discloses the fact, which is not dwelt upon in the various publications emanating from Government circles, that thousands of sheep die annually from lung-worm and foot-rot, while it is difficult to see any flock of sheep one half of which at least are not suffering from scab. The best fat cattle in the Argentine is not equal to third-rate fat cattle in Australia, and probably few Australians would reckon the Argentine specimens as 'fat sheep' or 'fat bullocks' at all.

Agriculture has been, and still is proving profitable, while with proper attention and a fair amount of good luck it may continue; but it is a mistake to suppose that agriculture is everywhere prosperous in the Argentine, and it would be little less than a cruel deception to bring out people to that country on the strength of any such supposition.

There are many points militating against the sheep-farmer in the Argentine, such as an excessive rainfall (about 40 inches); lack of good drinking-water, which is found only at very great depth; lack of firewood, which prevents artificial warmth being applied when the ewes are lambing in the bitter cold weather; and the uncertainty of the seasons, severe frosts sometimes occurring in the summer, and deluges of rain entirely out of their proper season. These are the bad points, or some of them, which should be carefully borne in mind; but there are also many favourable ones to which attention may equally be directed.

In spite of the fact that English ports are closed against the importation of Argentine cattle, the prices for live stock have been remarkably well maintained, and in certain instances they have reached figures which must be considered remarkable. Sums such as £14 10s. have been paid for special bullocks and £1 6s. 3d. for good sheep in the stock markets of Buenos Aires, which thus render it possible for the Republic to claim having reached for its stock the high-water mark attained in Australia, New Zealand, Canada, and the United States. The prices I have given are not ruling to-day, but current rates are not very far below them. It cannot be denied that both stock-raising and agriculture generally have reached the position of a sound industrial enterprise, and the Argentine as a possible rival to Australia and New Zealand may yet have to be reckoned with.

The typical estancia in the Argentine is more remarkable for its size, I may say its vastness, than anything else. Numerous owners of ranches reckon their land by square miles, and it is not considered anything out of the way for an estancia to be 40, 50, or 60 leagues in extent. Life on an estancia does not mean the acme of comfort and luxury. A few English-born Estancieros, or those who have passed a certain part of their lives in Europe, know how to make their residences fairly comfortable; but the majority of the houses are little better than one-story cottages, very poorly furnished and with little or no pleasure-ground attached. Few cattle-breeders either care or have time for garden cultivation, while of flowers there is the most meagre supply. 'Work' is the only pursuit which they allow themselves, and sometimes for weeks together neither the estancia owner nor his employees, among whom are often to be found young English or Scotch pupils learning to farm,

quit the estate. When they do permit themselves that privilege, they usually go in for a brief but exciting spell in the Capital.

The aim of the Estanciero is to breed as much beef cattle as possible, the breeds selected being Shorthorns, Herefords, and Aberdeen Angus. Among high-grade cattle of the first-named breed, steers weighing from 19 to 20 hundredweight are not uncommon. As will be seen from the few statistics which I give below, the Shorthorn does not give the most milk, the premier position among milkers being awarded to Flemish and the second to Holsteins, while Shorthorns come third. The Hereford and Aberdeen Angus breeds have not proved altogether successful, although there are many Estancieros who believe they may yet be acclimatized and prove excellent for breeding stock. The Polled Angus certainly provides very fine butchers' meat.

The milking competition at the Buenos Aires (Palermo) Agricultural Show of 1902 gave the following results, the same being official returns:

Breed.				Milk.	Butter-fat.	Butter.
				Quarts.	Per Cent.	Pounds.
Flemish	...	...	...	357'12	3'175	25'58
Shorthorn-Flemish	...	...	...	300'63	3'883	26'61
Holsteins	...	...	...	359'86	3'003	22'49
"	...	...	...	255'72	3'075	17'59
Shorthorns	...	...	...	236'70	3'701	19'85
"	...	...	...	184'65	3'658	18'47
"	...	...	...	278'96	3'983	18'47
"	...	...	...	226'39	3'325	16'91
"	...	...	...	194'15	3'816	16'71
"	...	...	...	165'37	3'316	12'26
"	...	...	...	149'51	3'083	10'36
Polled Angus	...	...	...	210'80	3'400	16'18

Horse-breeding in the Argentine has met with varying success. Argentine stud-owners have displayed remarkable energy and enterprise in purchasing first-rate horses, as may be ascertained from a glance at a list of the celebrated sires which have been imported. Gay Hermit, Nunthorpe, and Kendal, are well-known names, and it is on record that some years ago, when blood-stock in the Argentine attracted almost universal attention, some thirty-five lots were sold for £32,000. On many of the large estancias of Buenos Aires crossing has produced a series of varieties which it would be very difficult to define. Indeed, I have seen some altogether nondescript animals, which resemble mules, donkeys and even cows, far more

than the noble quadruped which we are accustomed to regard as a 'horse.'

The absurd mistakes made by some of the British officers who went out to purchase remounts for South Africa, and the gullibility which they displayed, still form the subject of humorous comment in the Republic; and I imagine that the troopers in South Africa, if they knew anything at all about horses, must have been astounded at some of the selections presented to them. Very few riding-horses with any appearance are to be met with in the Argentine, although some smart-looking carriage pairs and singles (all imported) may be seen in Buenos Aires itself. Horse-breeders go in more for heavy draft-horses, which pay infinitely better than showy horses, since there is a steady demand for all that can be supplied.

Sheep-breeding, which, as I have before indicated, is subject to many disappointments, is nevertheless pursued by the great majority of farmers, who find little difficulty in securing sufficient capital to commence business. In the South the sheep are grown principally for the wool, and little attention is paid to the mutton, which is allowed to waste. One hears now and again of 'fortunes' having been made at sheep-farming, and undoubtedly some few breeders have been lucky. Among these is Mr. Harrison, who twenty years ago crossed into the Rio Negro with 1,200 sheep, driving them himself for several weeks, and who now owns over 80,000 sheep. The Lochiel Sheep Company, of Cameronia, graze 50,000 sheep on a tract of 500 square miles, and have invested £40,000 in buildings, fencing, machinery, etc.

The Argentine Southern Land Company has an estancia near the Chilian frontier of about 1,700 square miles stocked with 30,000 head of cattle, 20,000 sheep, and 4,000 horses. Estancias with 50,000, 60,000, 70,000, and 80,000 sheep are common in the Southern Argentine districts.

The principal English breeds include the usual varieties of white-faced and black-faced Lincolns and Downs, Romney Marsh, Cheviot and Leicester. The high reputation among the Lincolns has resulted in large numbers being exported to the Argentine, the consequence being the preponderance of that breed which is to be found in the country to-day.

The Merino, which may be regarded as the champion single purpose or 'wool' sheep and the pioneer both in Australia and New Zealand, is increasing in numbers. The Argentine Lincoln and the Argentine Rambouillet thrive uncommonly well. A fair number of flock-masters breed the latter successfully, and produce a satisfactory number of healthy and robust lambs of a remarkably pure type.

Land-owning in the Argentine offers few difficulties and

many attractions. Titles are, as a rule, perfectly secure if taken out by a good and reputable lawyer, and some are to be found in South America. It is, of course, best to buy direct from the State, if a suitable location can be found; but day by day State land is becoming less and less obtainable in choice localities, while all land has gone up from 25 to 500 per cent. in price since the wheat boom has been on. The Argentine and State Governments profess to have at the present time about 237,780,000 acres to sell, situated in the Provinces and Territories of Santa Cruz, Chubut, Rio Negro, Chaco, Neuquén, Formosa, Pampa, Tierra del Fuego, and Misiones. Purchasers have to give undertakings to fence their lands, and this is a very expensive proceeding in the Argentine as a rule, since wire is costly and labour scarce.

Private lands have been enjoying a small boom in prices, but no doubt many of these will have to be abated before extensive sales take place to settlers. I do not quite know what the rate of increase has been during the past year, but probably if 10 per cent. be added to the figures to be found on p. 77, which were gleaned from transactions carried out in 1903-1904, an average idea of current rates per acre can be arrived at.

CHAPTER XII

Rosario—New port works—Gigantic enterprise to cost £7,000,000—New port at Santa Fé—Rosario Electric Light Company, Limited—The City of Rosario—The British element—The Strangers' Club—City lighting—Hotel life—A corrupt and incompetent municipality—Its treatment of foreign corporations—The waterworks and drainage companies and the municipality—Arbitrary proceedings—A startling Arbitration Award—The tram system and the concessionaire—Drainage of the city—Remarkable death-rate—Trade and commerce—British progress

WITH its population of over 180,000 inhabitants, Rosario, although not a Capital, stands as the second town of the Republic. Its trade is continually increasing, and, owing to the vigorous attention paid to British interests by our Consul there, Mr. Hugh M. Mallett, British merchants are fully sharing in the prosperity of the place. Mr. Mallett's annual Reports to the Foreign Office upon the trade and commerce of Rosario and district are unusually full and complete, and I cannot do better than recommend those of my readers who are interested in this part of the country to consult them as they are published.

The present prosperity of Rosario is due to agricultural products, and especially to the excellent grain harvests which have been enjoyed during the last year or two. When I left the district in May last the outlook was still exceedingly promising. In 1902, when the harvest was a very bad one, Rosario felt the pinch quite as much as any other town or city in the Republic. The district exports wheat, maize, and linseed, in all of which products its annual figures are increasing amazingly.

In a few years' time Rosario will possess an admirable port. Extensive works are now going on there which, though as yet far from being completed, will eventually add materially to the prosperity of the place. I had the opportunity of going over the port works, thanks to the courtesy of the French concessionaires who had it in hand. Although I do not share in their belief that the works will be completed in four years' time, the thorough manner in which the undertaking is being carried out cannot be gainsaid.

(See page 75.)

Locality.	N.	N.-E.	N.-W.	E.	W.	S.	S.-E.	S.-W.	Centre.
	£	£	£	£	£	£	£	£	£
Buenos Aires 30 miles from the Capital ...	—	—	8 to 28	—	16 to 32	12 to 24	8 to 24	16 to 28	—
Buenos Aires 30 to 60 miles ...	—	—	5 to 20	—	5.10/ to 20	4 to 8	3.5/ to 8	4 to 10	—
Buenos Aires 60 to 125 miles ...	—	—	4 to 8	—	4 to 8	25/ to 4	32/ to 4	32/ to 4	—
Buenos Aires 125 to 250 miles ...	—	—	2.10/ to 4	—	25 to 65	19/6 to 4	25/ to 3.5/	25/ to 4	—
Buenos Aires beyond 250 miles ...	—	—	—	—	11/3 to 19/6	25/ to 4	25/ to 3.5/	8/ to 19/6	—
Santa Fé ...	1/8 to 19/6	—	—	—	—	19/6 to 5.10/	19/6 to 3.5/	16/ to 32/	19/6 to 5.10/
Entre Rios ...	1/8 to 40/	—	—	—	—	13/ to 3.5/	13/ to 3.5/	13/ to 3.5/	19/6 to 3.5/
Córdoba ...	10d. to 6/6	—	—	—	5d. to 3/6	16/ to 32/	—	—	3/6 to 1.6/
Corrientes ...	—	—	—	—	—	8/ to 19/6	—	—	—
Pampa ...	—	8/ to 16/	3/3 to 13/6	9/9 to 19/6	—	3/6 to 8/	3/6 to 8/	—	5d. to 4/10

Chubut, irrigated valleys ... £ 5 to 8
 Rio Negro, irrigated valleys ... 32/ to 5
 Rio Negro and Neuquén, high lands ... 1/8 to 6/6
 Santa Cruz, high lands ... 1/8 to 9/9

The firm handling the contract are Messrs. Hersiah et Fils, in conjunction with Messrs. Schneider and Company. Work was commenced in October, 1902. Public opinion and the whole of the import merchants are strongly in favour of the work, but the exporters and land-owners, whose interests are likely to suffer, strongly oppose it. M. Pugnard, Chief Engineer and Manager of the Works, was very confident, when talking with me, that the undertaking would be completed in seven years from the start—that would be in October, 1909. I understand, however, that financial difficulties have played no unimportant part, for the cost of the undertaking is proving so enormous that the first estimates have been almost doubled. At the present time the port dues at Rosario are very heavy, but M. Pugnard informed me that when the works are finished these charges will be considerably less than those in force to-day. Certainly, when the day of completion arrives, the port ought to be able to offer greatly increased facilities and more economy to shipping than are at present in vogue. There are probably over 1,000 men employed on the works at present, but this number is to be largely increased.

It will be impossible within the limits of this chapter to give any idea of the colossal undertaking which the French Company have in hand. No fewer than 30,000 tons of material have been received from abroad for foundation construction alone, while stupendous dredging operations are going on day by day, this part of the work being taken on by sub-contractors, a Dutch firm, who have been specially brought out for the purpose. I am sorry to say that British enterprise has no hand in this gigantic contract. Nearly all the machinery employed comes from either Holland, Belgium, France, or Germany, only a few bogey-engines and trucks being supplied by the United Kingdom.

The Port of Rosario, when completed, will cost over £7,000,000 sterling. I may also mention that a port is being constructed at Santa Fé, which will cost another million. Work has already been commenced there, and considerable material for construction has arrived. There is no doubt that a port at Santa Fé with a good and safe approach for ocean-going vessels will be invaluable to that district, as this place is a natural outlet for all Northern trade and part of that of Bolivia.

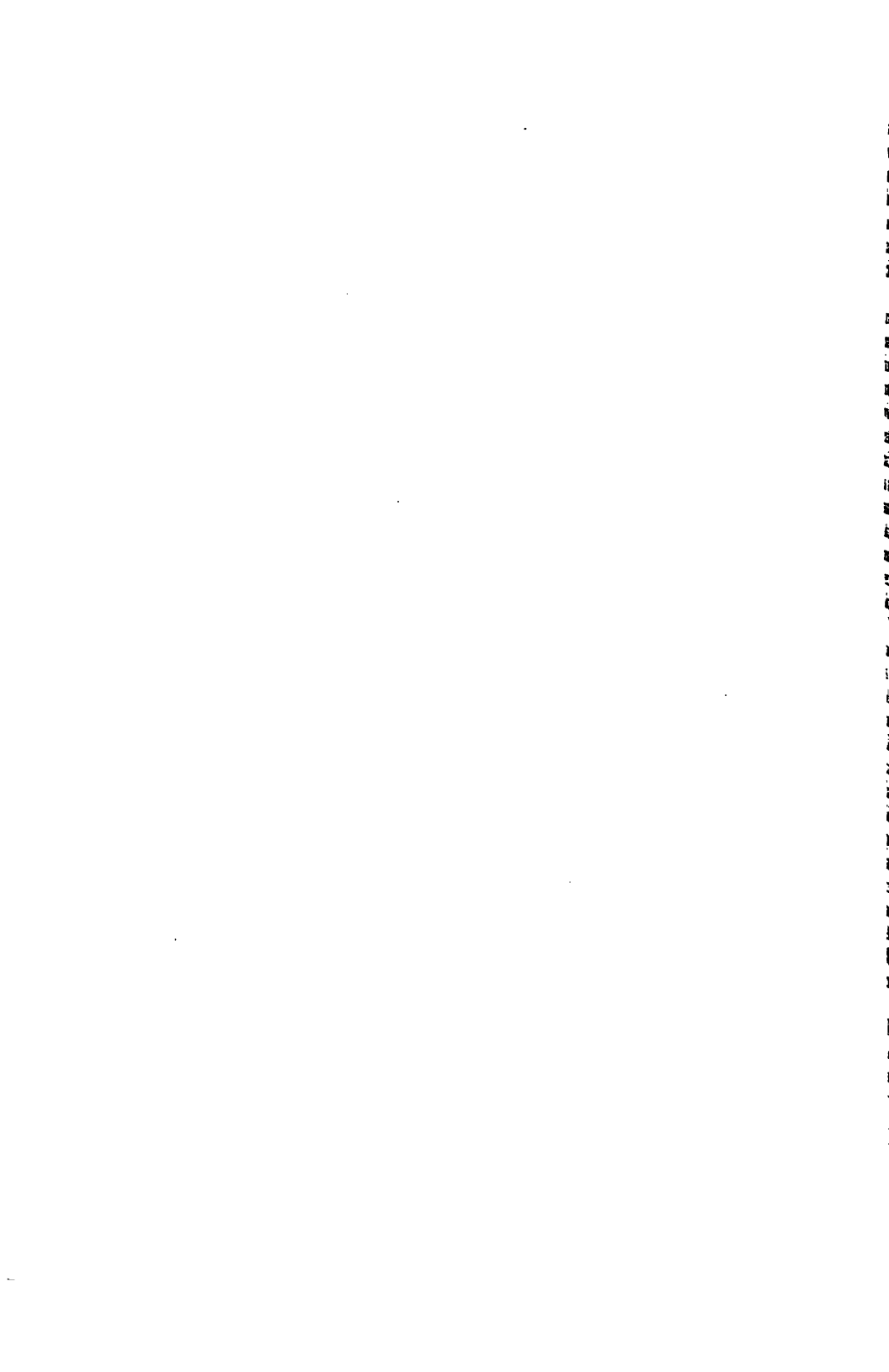
A British Corporation which has done exceedingly well for the inhabitants of Rosario is the Rosario Electric Company, Limited, with a capital of £120,000, of which Mr. A. H. Unwin is the very competent and enterprising Manager. Like most foreign Corporations doing business in Rosario, the Company has had its struggles with the Municipality. In addition to supplying electric light, the Company also furnishes gas to



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TRANS-ANDEAN ROUTE TO CHILE

Coaches and Luggage-cart making tri-weekly journeys (during the summer months) between Las Cuevas and Guoerajal
The photograph shows the coaches at the halting-station of Guardia Vieja, in the heart of the Cordilleras



many of the thoroughfares of Rosario, and for some years it was extremely difficult for the Company to obtain payment for its services. On more than one occasion the Company has had to threaten to cut off the lighting supply from the city on account of heavy arrears in settlement. Since then settlements have been more regular, and, on the whole, the relations between the Company and the Municipality are not unfriendly.

There is no town or city in Argentine where the inhabitants are more heavily and unnecessarily taxed than in Rosario. I have before me as I write a printed list of Municipal Imposts for 1905, set in the very closest type in seven columns. The total size of the broad-sheet is 42 inches long and 26 inches wide. To give even a tithe of these imposts, which cover 'the eating and drinking and sleeping and winking' of the inhabitants, would be to occupy the whole of this chapter. There is also a complete book, printed in equally small type, and consisting of 118 pages, dealing wholly and solely with other Municipal charges for services which, I may say, are very badly rendered. The inhabitants of Rosario, therefore, have three sets of taxes to pay, the National, the Provincial, and the Municipal.

Wages need run very high to enable the people to meet their obligations, but unfortunately they do not. The worst feature is that all this hard-earned money is frivelled away by the Municipality and the Provincial Government alike in perfectly useless and unproductive enterprises, such as huge public parks, illumination of the streets and buildings, and the erection of costly palaces for the Municipal authorities. As a matter of fact, labour is very badly paid in the province of Santa Fé. Men working on the Government railway and for the Municipality receive \$60 per month; and in the camp wages run to about \$50, or the equivalent of it in goods. For a few weeks in harvest time the workers may receive from \$4 to \$6 a day, according to the scarcity of hands; but this is merely temporary. A man who is earning \$60 per month in town has to expend \$12 of it upon a single room in a wretched *conventillo*. All necessaries of life are proportionately dear.

The English, or rather the British, element to be found at Rosario, next to Buenos Aires the most important port in the Argentine Republic, is a fairly numerous one, and representatives from the Three Kingdoms may be found occupying various important positions among the commercial community. As is not unusual, Scotchmen predominate, many Northerners filling positions such as managers, chief engineers, etc., in Anglo-Argentine undertakings.

There is a pleasant Club known as the 'Club de Residentes Etranjeros,' situated in the principal thoroughfare (Calle de

Córdoba), and at which all foreigners visiting the town are made welcome. Many of the illustrated papers, magazines, and reviews published in the United Kingdom are to be found here, while an excellent billiard-table and the inevitable hospitable 'bar' make the Club attractive to the sojourners in a town which possesses absolutely no allurements of its own. The Club is fairly well patronized of an evening and on Sundays, but during the greater part of the ordinary working day most of the members have 'other fish to fry.'

Rosario is not a dissipated town, and the inhabitants, as a whole, are both early risers and early retirers. Very few people are found in the streets after ten o'clock at night, and scarcely a vehicle. Except when the public places of entertainment are open, there is little or nothing to tempt the resident from his home. If the Argentine domestic hearth is less attractive than our own and less comfortable, it is at least preferable to the dismal and deserted streets of the town. Even the 'Plaza,' where the band plays on certain evenings, loses its attractions after an hour or so, and by eleven o'clock not a single promenader is to be found.

I know of no Municipality of any town in the Argentine Republic which has earned for itself a more unenviable reputation for dishonesty—except it be that of Córdoba—than Rosario. Certainly no town that I have visited shows anything approaching the neglect of the public welfare.

With the exception of one or two of the principal streets, such, for instance, as the Calle Córdoba, the roads are all stone paved, and very indifferently maintained. The side-walks are sometimes bricked, sometimes concreted, and as often as not composed of the simple native mud. It is difficult to find more than ten consecutive yards of good side-pavement, and one is continually obliged to leave the side-walk for the roadway in order to avoid the numerous gaps and holes in the pavements. In times of rain the thoroughfares are converted into a sea of filth. No idea of street-cleaning has as yet entered the heads of the City Fathers, and even the horse-droppings are left for days to poison the atmosphere and add further to the stench with which almost the whole town is infected.

At night Rosario is but partially illuminated. Arc lamps at irregular distances are found, but these merely serve to render darkness more visible. Many of the houses and shops have adopted the electric light, but it is by no means general. The remainder of the streets are lit by gas, and the Electric Light and Gas Company has, as already indicated, to insist upon prompt quarterly payments by the Municipality, who would otherwise default.

There are several hotels at Rosario, which, on the whole, are

well managed and fairly comfortable. Perhaps the best is the Anglo-French, kept by M. and Madame Albert H. Goliste, the former a Frenchman and the latter an Englishwoman. M. Goliste, who comes from managing the Grand Hotel at Buenos Aires, knows everything about hotel management worth knowing. He has just refurnished his house from top to bottom, and although the building perhaps does not lend itself to much adornment, the rooms being small and rather dark and the whole interior of the edifice too much exposed to draughts and rain, no doubt M. Goliste will do all he can, and that is much, to improve the comfort and appearance of the hotel.

The Municipality have expended a good deal of public money upon parks and in adorning the streets with permanent arches of gas-pipes, each bearing many jets, which are utilized upon the slightest provocation for illuminating the town. For this and all such frivolous enterprises the authorities would appear to find ample means; but for such undertakings as street-cleaning, drainage, and public lighting for ordinary occasions, their purse is carefully closed.

The lack of good faith displayed by the Municipality of Rosario, and which is notorious far beyond the limits of the town itself, is partially responsible, as I understand, for the condition of the tramway system of this town. There are four different lines, once belonging to four different owners, but now under one management; and no recently-formed mining township, situated in the backwoods of America, would care to own the "Tramway Anglo-Argentina de Rosario."

Assuredly I have never encountered a more mismanaged enterprise, which, under ordinary circumstances, might be made not only a very remunerative undertaking, but a credit to the town itself. The tramway system is a very wide but still incomplete one, and traverses a route which, if not quite the best that could have been selected, serves at least a great portion of the town. The permanent way is at present in a very poor state of repair, many of the rails being loose and unsafe to travel upon, while portions have sunk deep below the pavements surrounding them. This, however, is nothing in comparison with the condition of the rolling-stock and unfortunate horses. The cars, built in America, evidently with a strict eye to economy both in design and construction, are sent out from the sheds day by day unwashed and unattended to in any way. The floors of the cars are inches deep in mud and muck of all descriptions; the drivers and conductors are attired in uniforms which are remarkable alone for their tattered appearance and their accumulated dirt; while the horses are for the most part in the same wretched neglected condition. The

late Proprietor of the Rosario Tramways, upon having his attention called to the emaciated condition of his horses, remarked, 'Yes, they have plenty to eat, but no time to eat it.'

The whole appearance of the tramway enterprise in Rosario suggests decay, neglect, and complete indifference to the public welfare, and it is but small wonder that the better-class inhabitants prefer to walk or take cabs to their destinations, rather than incur danger of contagion of some loathsome disease by sitting in one of these pestilential conveyances.

I visited the stables, situated in Calle Salta, which are about the most noisome and offensive I have seen anywhere in the world. Hercules himself might have turned sick at the prospect of cleansing them; probably the Augean establishment was less terrifying.

How the inhabitants living in the same street as that in which the stables are located can tolerate their proximity, I cannot imagine. They must be very deficient in the sense of smell, one would say, or long endurance of the plague has rendered them indifferent.

If the Rosario Municipality possesses the necessary authority and jurisdiction, and I assume that it does, an injunction should at once be applied for to prevent the tramway stables from continuing in their present dangerous condition. Their pungent odour can be detected a long way off, and the surrounding neighbourhood must indubitably be injuriously affected. What might be done with this system of trams if it were in competent hands can be gauged from the fact that even as it is no fewer than 800,000 passengers are carried monthly.

It has been represented to me that the present owner of the tramways and the stables feels hardly justified in expending much money on 'improvements,' in view of the dishonest and hostile attitude taken up by the Municipality in regard to his concession. If, as is alleged, the Municipality are endeavouring to cancel the original concession upon the frivolous and ridiculous pretext that it should never have been granted for a longer period than ten years, and if they are determined to prejudice the present owner by granting concessions to other *entrepreneurs*, one can readily sympathize with the injured individual; but this would hardly justify the neglect which is apparent in every direction, and details of which I have given above. It is said that the present owner is desirous of selling his concern to a German or some other Syndicate or Company for the sum of £150,000. Personally, I should feel considerable reluctance in paying anything like this sum for the concession, plant, and rolling-stock of the Rosario tramways, valuable as a concession—a sound and reliable concession *bien entendu*—for supplying and running a tramway system in a crowded town

like Rosario, would unquestionably be. It is necessary to recollect, however, in dealing with a Municipality such as that of Rosario, the old axiom *caveat emptor*, for it would seem that the purchaser has really no security beyond a Deed or Deeds signed by a Corporation composed of individuals who, worthy as they may be in their private capacity, are in their corporate dealings little better than pirates with just as little morality.

In their dealings with foreign companies the Municipality of Rosario have shown clearly both their prejudice and their bad faith. One has only to instance the case of the City of Rosario Drainage Company, a concern which has, through no fault of its own, been plunged into continual struggle with the Municipality. It is no untruth to say that but for the work of the Drainage Company in Rosario that City would be absolutely uninhabitable. The Municipality itself has done nothing, and is doing nothing whatever to drain it, and even those streets which are under its supervision, and which have nothing to do with the Drainage Company, are left in such a state of filth from day to day and from week to week, that the Municipality abundantly prove their incapacity to deal with matters of public sanitation.

The terms of the concession which was granted to the Drainage Company have been faithfully fulfilled by the Company itself, but scandalously violated by the Corporation. The decrees solemnly passed by the Municipality are broken every day, not only by the inhabitants of the City, but by the Municipality itself. One of the decrees in the concession is to the effect that the Corporation shall make drainage compulsory on the inhabitants. Nevertheless, the Municipality refuse to compel the inhabitants to connect their houses to the sewers, and when the Company sues the householders, as by its concession it is entitled to do, the Law Courts decide that 'it does not pertain to the Company but to the Municipality to make drainage obligatory.' Accordingly, the Company has no resource but to sue the Municipality for damages, and the action which it has brought is still undecided. It has been going on in the Supreme Court of Santa Fé for the last three years, and may well last another ten. In many other cases the Municipality of Rosario has been sued, and judgments have been recorded against it; but these count for nought. We all know that Corporations 'possess no souls to be saved nor bodies to be kicked,' and that is no doubt the reason why the Municipalities of Rosario and Córdoba, among others, have deliberately set at defiance their most solemn obligations, and have challenged the law to punish them.

The above is, however, not the only scandal in connection with the Rosario Municipality. In 1895 it raised an action

against the Drainage and Water Companies to annul both of the concessions, upon the trivial pretext that these were *ultra vires* upon the part of the Municipality which had granted them. The Municipality subsequently came to terms with the Drainage Company, under which its concession was maintained and eventually extended for a period of seventy years from 1899. After that the action of nullity, so far as it had reference to the Water Company, remained practically in abeyance for several years. The Company naturally considered that the action had been abandoned, but the Municipality was only biding its time; it has now revived the discreditable proceedings upon a preliminary point of procedure, which does not affect the matter, and the case will go forward for trial.

It may be asked upon what pretext the Municipality hope to upset the Consolidated Water Company's concession? Their contention is that certain powers conferred upon a former Municipal Administrative Commission by the organic law of the Municipality were 'inconsistent with the constitution,' and therefore *ultra vires*. There is not a shadow of doubt that the concession held by the Company is both regular and legal, and I may point out that, before the contractors accepted the supplementary concession, they took every means in their power to be satisfied as to its legality, including a clear opinion thereupon from two of the most eminent lawyers in the Argentine—viz., Dr. Manuel Quintana, who is now President of the Republic, and Dr. P. Nolasco Arias, who was legal adviser to the Municipality of Rosario itself.

What, then, can be thought of a Municipality which, having derived immense benefits from the work which the Rosario Waterworks have carried out, can raise such a quibble as this? Regarding the attitude of the Municipality towards both the Consolidated Waterworks and the Drainage Companies of Rosario as typical of the attitude assumed by some of these States towards foreign Corporations, there seems little encouragement to invest money in such quarters.

I have, however, now to record the most serious aspect of the whole business. The conduct of the Municipality is really the outcome of a firm refusal to pay further blackmail. I have received ocular proof that the origin of all the troubles from which foreign Companies are suffering to-day is the declension to pay any further bribes to the Municipal authorities. From first to last no less than £100,000 has been paid to these harpies, and now that their source of blackmail is run dry they are revenging themselves in the manner I have mentioned. It is as well that British investors should understand some of the pitfalls into which their money may tumble; but at the same time it would be unjust to stigmatize all South American



HARVEST TIME IN ARGENTINA

See page 132

**Testing Wheat in bags before going on board at the Elevated Mole,
Bahia Blanca Port (B.A.G.S.)**



HARVEST TIME IN ARGENTINA

See page 132

**Shipping Grain in bags by travelling bands and shoots at the Elevated
Mole, Bahia Blanca Port (B.A.G.S.)**



Republic—or even all Argentine—Municipalities as dishonest. There are Municipalities *and* Municipalities, but those of Córdoba, Rosario, and La Plata are among the very worst.

One of the most astounding and monstrous 'arbitration' awards ever made in any country has been quite lately upset, but as there is opportunity for a yet further appeal, the end of the scandal has not been reached. Needless to say, the whole matter originated and has been played out in Rosario, about the most corrupt and venal city in the Argentine Republic.

It seems that a Mr. Marson was authorized by the Rosario Drainage Company, Limited, to arrange certain matters, if possible, with the Municipality.

In the month of May, 1901, Mr. Alfred Marson, who was formerly connected with the Buenos Aires Drainage Works, approached the Rosario Drainage Company's Consulting Agent in Buenos Aires, and suggested a sale of the Company's property to the Municipality of Rosario on the basis of a payment in bonds. The Company's Agent was authorized to inform Mr. Marson that if he could obtain from the Municipality of Rosario an offer to buy the Waterworks at a minimum sum of £450,000 in 4 per cent. Bonds of the Municipality, secured on the Drainage Rate, the Directors would put the matter before the Debenture Holders and Shareholders of the Company. After that, Mr. Frank W. Jones, the Chairman of the Company, visited Rosario, and there met Mr. Marson, to whom he expressed his views that £450,000 was too low a price to ask for the Waterworks, and suggested £800,000. Then Mr. Marson declined to go any further into the matter, and commenced a lawsuit for services rendered to the Company. So much is clear, and no doubt exists that Mr. Marson was entitled to some compensation, since the Company had first offered to consider £450,000 and then changed its mind to the extent of £350,000.

But the serious portion of the dispute has to be recorded. The matter went to Arbitration, and the award of the Company's Arbitrator was £875; Mr. Marson's Arbitrator awarded £27,500, and the Umpire declared for £24,612! Such a violent difference between the members of the Tribunal suggested prejudice, and the officials of the Company were justified in refusing to accept such an absurd decision, and they commenced proceedings to annul it. They have now succeeded, for the Judge of Commerce (Dr. Seeber) has found the award 'inconceivably exorbitant,' as it no doubt was. Against Dr. Seeber's decision Mr. Marson has now appealed, but it is doubtful if he will succeed in getting the Supreme Court of the Argentine to restore the monstrous decision of the Arbitration Court. In the meantime the Drainage Company's income is embargoed, and only its actual working expenses are allowed, so that its position

is a serious one, since it is unable to expend anything upon repairs. The Drainage Company may not be popular with the people of Rosario, but the recent decision in its favour has occasioned general satisfaction, as the grotesque award of the arbitrators had struck everyone as a reproach and disgrace to the whole community.

I have referred above to the extraordinary unhealthy condition in which the Municipality of Rosario allows many of the principal streets to remain; but bad as this is, the condition of affairs to-day is nothing to what it was previous to the advent of the Rosario Drainage and Rosario Waterworks Companies upon the scene. In those days the death-rate in the city of Rosario was simply appalling; and perhaps I cannot do better than print the figures which have been supplied to me under this head by Mr. W. J. Martin, the able Manager of the two Companies referred to.

Year.	Population.	Deaths.	Rate per 1,000.
1887	50,914	2,760	54·2
1888	57,000	2,823	49·5
1889	63,000	3,060	48·6
1890	67,078	3,434	51·0
1895	94,025	3,169	33·7
1900	112,461	3,265	29·0
1901	115,280	3,101	26·8
1902	121,139	3,402	28·1
1903	127,040	2,704	21·2

The above figures show clearly the notable diminution in the death-rate in the last few years—that is to say, since the installation of drains and the supply of pure water. I may also add that the above statistics are taken from official documents. It will be seen that the mortality of the four years previous to 1890, when the use of the sewers commenced, was 51 per 1,000. In 1895, or five years after the drainage had been introduced, the death-rate fell to 33·7; while in 1903 it was as low as 21·3. I have not the actual figures before me of the 1905 rate, but I am informed that these cannot much exceed 20 per 1,000. The death-rate of London is 17·2; Paris, 18·4; and New York, 18·7.

CHAPTER XIII

Mendoza—Department and city—Earthquake of 1861—Vineyards and wine factories—Wine production statistics—Life in Mendoza—Educational and sanitary drawbacks—Hotel accommodation—Argentine regulars and army officers—Córdoba—Spanish remains—Cathedral—Scenic surroundings—Revolutionary effects—Neighbouring provinces—Tucumán—Sugar cultivation—La Azucarera Argentina—British machinery—A notable factory

MENDOZA, which is 654 miles from Buenos Aires, is one of the oldest cities in the Argentine, and certainly one of the most interesting. No situation could be more delightful. The city, which is built on a flat plain, lies directly at the foot of the Andes, and enjoys a superb view of its beautiful snow-covered heights. One Captain Castillo founded the city as far back as 1559, but it was entirely destroyed by an earthquake in 1861. Ruins of some of its ancient churches still exist, and very pathetic to look at are these relics. Unfortunately for Mendoza, it is always subject to earthquakes, and these visitations, which generally come three or four times in the year, never fail to cause the inhabitants the greatest terror. Owing to its predisposition to these natural phenomena, the new city is built with houses of one story only. The last earthquake, which occurred on an Ash Wednesday after sunset, when the churches were well filled with worshippers, was the worst ever experienced. Thirteen thousand persons perished, and out of the whole population only 1,600 escaped. The most horrible phase of the disaster was that, while people were burning or suffocating under the ruins, a set of brigands plundered the place and robbed even the dying.

I would much like to dwell on the beauties of the surrounding country of Mendoza, but, unfortunately, I have insufficient space in which to do so. The suburbs are exceedingly attractive, and, in fact, the whole Department of Mendoza is a perfect garden. Whereas the old city covered 48 *cuadras* (or 200 acres) and had seven churches, three convents, and a charming Alameda, it now possesses some 50 or 60 *cuadras*, covering over 300 acres. The population to-day is about 30,000. The chief

industry of Mendoza is the cultivation of vines, and nowhere in the Republic are more extensive or productive vineyards than those of the Department of Mendoza to be found. The industry is also pursued in the Provinces of San Juan, La Rioja, Catamarca, Salta, San Luis, Córdoba and Entre Rios.

The vines ordinarily yield throughout these districts about 14,000 kilos per hectare, and the estimated average of wine per hectare is 60 hectolitres. I visited several of the local vineyards and wine factories, including the champagne factory of Baron Toll, which turns out a large quantity of excellent wine, wholly consumed in the country. Señor Tosso, an Italian, has also an extensive vine-growing and manufacturing establishment here, his history being a particularly romantic one. He arrived in the Republic between seven and eight years ago, a penniless emigrant; but by the industry and enterprise characteristic of his countrymen, he has raised up a magnificent business, his profits for last year, he assured me, being over \$50,000 paper, or, say, £5,000.

Another flourishing business visited by me, one which is making rapid headway, is that of the Establecimiento Santa Rosa, owned by Señor Andrés Bacigalupo. This gentleman, who is still quite young and possessed of considerable private means as well as undoubted energy and enterprise, owns, besides a magnificent vineyard, some large fruit-preserving works, which he has fitted up with all the latest American machinery. He grows every kind of fruit, and this to perfection. He owns, besides, many thousands of fruit-trees, a wine-store, a farmyard, and a charming estancia. He employs a large number of hands. Señor Bacigalupo visits Europe and North America every year, and could no doubt dispose of a large amount of his produce there; but the steady demand for his productions in Mendoza and its neighbourhood absorbs the whole of his output.

With the exception of Señor Bacigalupo, who is an Argentine by birth, the vineyards in and around Mendoza, as well as other large Argentine vineyards, are mainly owned by Europeans, notably Italians and Germans. Last season 196,000 tons of wine in casks were carried by the local railway—that is to say, for the twelve months 1904-1905. The output for 1905-1906 will probably exceed 200,000 tons. An ordinary bodega (factory) can put out from 2,000 to 5,000 casks. One cask equals 190 litres ordinarily, but an Argentine cask equals 200 litres. The cost of wine to produce is 16 cents, and the sale price is 25 cents wholesale, or 32 cents retail. Last year grapes were bought at \$2 per kilo, but this year they were \$3 per kilo. Nevertheless, profits of between \$30,000 and \$40,000 have been made by some makers who were formerly poor and struggling people.

Every hundred kilos of grapes produces 66 kilos of wine and 25 kilos of raisins. The vineyards of Mendoza have never suffered from any disease worth troubling about. The Provincial Government exercises every precaution in the importation of plants. The remarkable feature about the wine production of this province is that it is impossible to purchase any old wines, every bottle being consumed as soon as it is marketed.

The prospects of the wine industry are exceedingly bright, and in order to compete with the increased output, the railways are building new branch lines. The makers purchase their grapes on very easy terms, viz., at three, six, and nine months, whereas they ask and receive cash for their wine, the proceeds of which they have banked long before they are called upon to pay the last instalment for purchases.

There is one great drawback to permanent residence in Mendoza, and that is the lack of educational facilities. Many parents have complained to me of the difficulty they find in bringing up their children, especially if they happen to be of the Protestant faith. Mendoza, like Córdoba, is the 'hot-bed' of Jesuitism, and the people are practically controlled in every way by the priests. In their hands are all the educational establishments, and unless Protestant parents superintend the scholastic training of their children, they stand a poor chance of receiving any at all. Many would like to send their children to Buenos Aires, or even to Europe; but, generally speaking, the great expense deters them from so doing.

Another unpleasant factor in Mendoza life is the curious character of the water. It is impregnated with a peculiar sediment which, while foreign to any other water found in the district, causes intense irritation in the intestines, especially among women and children. Many who drink it become really ill, and some even have died. Mineral waters can alone be consumed in Mendoza with any degree of safety.

Whatever attraction Mendoza may possess in the eyes of visitors certainly does not lie in its hotels. For a population of some 30,000 people, and a continual stream of railway passengers *en route* to and from Chile, two 'first-class hotels' cannot be said to be excessive, more especially when these same 'first-class' establishments are—to use an Irishism—merely second-rate. The San Martin Hotel—or, as it is more familiarly known, the 'Hotel Club'—is a large, a very large, square building constructed upon the approved Spanish style, with a big *patio* occupying the whole of the centre, the various bedrooms and living-rooms opening off this, and all the windows looking on to the four streets which bound the hotel block.

In appearance the hotel is singularly attractive, the entrance

being a very handsome one, and, at the time of my visit, rejoicing in a coat of new paint and varnish, such as it had not known for many years past. Unfortunately, it is not possible to speak with any degree of enthusiasm as to the comforts and conveniences of the interior, which are, to say the least, primitive. The cooking is also very poor, and the attendance worse.

The only alternative establishment to the Club (pronounced by the Mendozians as 'Clööb') is the 'Hôtel de France, kept by a Frenchman, but run entirely on Spanish principles. The building, situated in the Calle San Martin (every town in the Argentine boasts of at least one 'Calle San Martin,' one 'Calle Bartolomé Mitré,' and one 'Plaza 25 de Mayo'), is a low and rambling one, with the inevitable *patio*, stone-paved, and a few dreary-looking trees and shrubs, plumbago, oleanders, and palms, planted in disused beer-barrels or empty kerosene tins. Here, again, the apartments are poorly furnished, while there is the additional usual annoyance of a plague of flies, which leave the unfortunate residents no rest from torment. Few of the living and none of the bed rooms have windows, light and ventilation being provided by the doors which open into the *patio* of the half-glazed and shuttered type.

I happened to be in Mendoza the very day the last abortive Revolution (February 4 to 6, 1905) was suppressed.

The whole town was in a ferment of excitement, and men, women and children wore a half-dazed expression of fear, while many of the shops were only half-opened, the shutters being left unremoved to allow of a speedy closing in case of necessity.

The streets were thronged with excited groups, discussing the sanguinary events of the preceding two days—the Revolution only lasted forty-eight hours, but proved a sanguinary one for so short a period of life—and several weeping women were to be observed sitting disconsolate upon their doorsteps, or undergoing the ready sympathy and condolence of other women.

Large numbers of troops were marching about, singly and in groups, with the abominable swagger so characteristic of the half-breed when attired in uniform.

The Argentine uniform consists of a bright-blue tunic and breeches trimmed with a vivid green braid, a flat 'Brodrick' cap of blue cloth, and ugly half-tanned leather leggings and boots, usually very much the worse for wear.

I have seldom seen a more unwholesome-looking or dirtier collection of men than the Argentine troops. Hard and plucky fighters they are, as they have proved over and over again; but surely they would be none the worse for an occasional application of soap and water to both face and hands.

Some of the troops were originally white, I found out, but an

accumulation of many weeks' dirt and a fortnight's growth of hair allowed of no outward distinction between them and the mulattoes or half-breed Indians forming the bulk of their comrades.

The officers, in their gaudy green and blue uniforms, rakish *kepis*, and well-polished boots, presented a distinctly smarter appearance; but their bearing is, as a rule, unsoldierly, slouching or swaggering, and they give themselves terrific airs when on duty.

The unfortunate rank and file are an appallingly ruffianly lot, undersized, underfed, and underpaid; all the same, they are perfectly ready for fighting and plunder at a moment's notice, and, indeed, both physically, mentally, and morally, unfit for anything else.

Next to Mendoza, Córdoba is the most typically Spanish city of the Republic, and retains many of the old 'Hidalgo' characteristics. In point of age, Córdoba is seven years older than Buenos Aires, and again, like Mendoza, it is one of the centres of the Jesuits' activity. Córdoba was called after the Spanish city of the same name, and was founded by one Louis Cabrera in 1573. He was one of the few conscientious and kindly Spanish *conquistadores*, but, as happened to most honest men in those days, he excited suspicion and jealousy, and came to a bad end, being put to death by his successor, Figuera.

In the beautiful Southern moonlight Córdoba still retains many of its Oriental attractions, more especially in regard to its Moorish *Carbildo* and its handsome Cathedral. The open ironwork gates of this edifice are the most beautiful that I have seen anywhere, except in some parts of Spain. They are unique in design and almost priceless, I am told, on account of the workmanship.

I do not know how many churches there are in Córdoba, but, judging from the number of priests one meets in the street, they must be fairly numerous. It is a most interesting city, and one can spend several days there with great advantage. One of the most notable features is the Alameda, or public park. Its present beauty, however, is as nothing compared to what it used to be previous to the year 1880, when a violent tornado uprooted nearly all the fine trees, which had been planted there centuries before, and made a desert of the once beautiful garden.

No one lives in the city of Mendoza in the summer if he can help it; the thermometer then marks 107° or 108° Fahrenheit in the shade. Most of the resident families retire to their *quintas*, or country houses, which are usually very large and handsome. Just as Mendoza suffers from its bad drinking-water, which has an irritating effect upon the intestines of the residents, so the

atmosphere of Córdoba has a peculiar influence, which produces heart-disease among the people. All sorts of causes have been cited for this, some declaring that it is the outcome of the frequent revolutions, others attributing it to want of vegetables, and still others to the sedentary lives of the people. Córdoba is a little better off for hotels than most of the provincial towns of the Argentine, for there are one or two good establishments there, such as the San Martín, which is a new building and fairly comfortable. The surrounding country is exceedingly pretty, and some beautiful views are obtained from the railway as the train leaves the city. It passes through orchards and small farms, which dot the mountain-sides, and the bird life here is particularly varied, flocks of parrots of every conceivable colour being seen. There are several pleasant towns not far from the city of Córdoba, such as Cruz-del-Exe, about 100 miles away; Ischilin, which is not very far from Cruz-del-Exe; and Fray Lemuerto, which is built on the Rio Tercero, about five hours' journey from Córdoba. Minas, Pocho, Punilla, Rio Cuarto and San Alberto are all within measurable distance, and worth visiting. There are twenty-four Departments of the Province of Córdoba, which has an area of some 67,660 miles.

Córdoba was the last stronghold of the Revolution of February, 1904. The insurgent officers, seeing that they were in a hopeless position, incontinently fled, the Governor and Chief of Police taking re-possession of their posts, from which they had been ignominiously ejected. No material losses or harm were sustained to property beyond the damage done to the Governor's house and some public offices, but unfortunately several innocent women and children were killed in the streets before the trouble came to an end.

The Fourth Province of Argentina is Santa Fé, which has only nine departments and a population of a little over 260,000. This is, however, one of the most favoured districts of the Republic, possessing as it does the magnificent river of Paraná, accessible to vessels drawing 18 feet of water, but subject, unfortunately, to serious inundations, owing to the violent periodical risings of that same river. When I was visiting that part of the country, the Paraná had risen 20 feet above its ordinary level, and vast tracks of rich agricultural land were under water, only the roofs of houses and tops of trees being visible. Santa Fé is a busy State, agriculture being carried on there very successfully.

The Provinces of San Juan and San Luis are among the least successful of the Federation; the former, however, is notable for its public educational institutions, several prominent Argentine writers having been born and educated in that place.



ESTANCIA LIFE IN SOUTH AMERICA

Cattle Loading at K.86 (Chajari) on the East Argentine Railway

In regard to San Luis, this is the most meagrely populated of all the provinces, having only about three inhabitants to the square mile. Rioja is another province of very little importance, the people earning their livelihood, such as it is, by pastoral pursuits. Very little different is the Catamarca province, in spite of the fact that it is nearly as big as Great Britain. Most of its territory consists of salt deserts, mountain ranges, and unexplored, but possibly rich, forests. The province of Jujuy would be of but little consequence were it not for the fact that Salta is situated in the immediate neighbourhood. One of the prettiest and most go-ahead towns in the Argentine, at one time Salta belonged to Jujuy, but when the boundary lines were remodelled the new line cut off Salta by about 15 miles, and now it ranks as the chief town of the State of the same name. Salta is a very old place, having been founded in 1582, when it was known as New Seville. It has changed its name several times since then, having been first San Clemente and then San Felipe de Lerma. It is perhaps best remembered by Englishmen as the place whither that arch humbug, Jabez Balfour, fled from justice, and where he was eventually arrested and brought back to England.

There are some very pretty suburbs of Salta, and a large number of churches, convents, and orphanages, as here the Jesuit influence is also very powerful.

The province of Tucumán is chiefly remarkable for its sugar output and tobacco cultivation. In regard to the former, the factories turn out between 50,000 and 60,000 tons of sugar and 50,000 barrels of rum in the year.

The best equipped factory and unquestionably the best managed concern here is that belonging to Messrs. Carlisle Brothers, although nominally the property of La Azucarera Argentina, Limitada. It is situated at Concepcion-de-Tucumán, and produced some 128,000 bags, equal to 9,000 tons of sugar, last year. This year the output will probably be larger. Prices are improving, and the Manager will endeavour to equal the output of 1903, which came to 10,000 tons, the largest hitherto produced at this or any other Argentine factory. Crushing commences annually on June 1, and lasts four months. The Company has over 4,000 hectares—say, 8,000 acres—under cultivation. There is a heavy protective tax upon imported sugar, which renders the cultivation of the cane highly remunerative at most times.

The factory is fitted up with the best kind of sugar machinery, almost exclusively manufactured in Great Britain. The Manager, Mr. Stewart Shipton, an able and very experienced sugar manufacturer, believes implicitly in the superiority of British machinery, an opinion shared by most of those who

have tried it and that of other countries, France included. In La Azucarera works the boilers have been supplied by Messrs. Mirrlees, Watson and Company, of Glasgow, who are also responsible for the Kraiewski crusher, the mill, the molascuit plant, the filters and the deficators. Messrs. Duncan, Stewart, and Company, of Glasgow, have furnished the horizontal engine, the juice-heater and the vacuum pans, while Messrs. Fawcett and Preston, of Liverpool, have supplied the clarifiers, other vacuum pans and the sugar-cane mills. The sulphur plant and mechanical mixers are of French design, being known as the Maguin pattern. Messrs. Watson, Laidlaw and Company, of Glasgow, have provided the Weston Centrifugal Plant, which plays so important a part in the works equipment.

Tucumán province is fortunate in the possession of the charming valley of Tafi, famous for its cheese, of which over 100 tons are annually consumed in Buenos Aires alone. There are many factories here, and its natural situation is delightful, being at the foot of the Sierra Aconquiga. Santiago, Corrientes and Entre Rios are all provinces of importance, the latter especially so on account of its situation between the rivers Paraná and Uruguay. Entre Rios ranks as third in importance among the Argentine provinces, while Santiago is only eighth and Corrientes fifth on the list. Agricultural pursuits are at present very successful in Paraná, which is served by the Entre Rios Railway Company, Limited, a British concern, of which I speak with more fulness in another chapter. Both the Uruguay and Paraná rivers are navigable for hundreds of miles, and well-appointed steamboats run up and down them at frequent intervals.

CHAPTER XIV

Argentine railways—Scenes at railway-stations—Comparing British and South American travellers—The English paterfamilias on a journey—Weird costumes—Newspaper-boys on trains—Inconvenience to passengers—Sleeping accommodation—Refreshment cars—Different lines of railways—British-owned systems—Amount of British capital invested in Argentine railways—Railway sleepers—Failure of karri wood—One million steel sleepers for the Great Southern Railway

WITH the magnificent system of railways such as is to-day possessed by the Argentine Republic, offering as it does both opportunities for traversing long distances at moderate fares and the utmost luxury while *en route*, it is not surprising to find so many travellers availing themselves of these conveniences. And yet, with perhaps the exception of the Buenos Aires and Pacific Railway route from Mendoza onwards across the mountains, there are but few scenic attractions to be found upon these railways. Nevertheless, as I have said, people travel, and travel often. But they take their enjoyment, if it is an enjoyment, rationally, and entirely devoid of that rush and excitement which seem to be inseparable from most forms of travelling in England and Europe generally.

In the Argentine, as in Brazil, one seldom sees women, grabbing a box in one hand and a struggling child in the other, rushing frantically for a railway carriage, which may, perhaps, be perfectly empty at the moment, and forming part of a train which is not timed to leave for an hour or more. There being usually plenty of room in the carriages for all comers (or it is speedily found for a late arrival by the other obliging passengers already seated), one seldom witnesses the strange spectacle of the belated passenger, encumbered, perhaps, with small parcels, dogs, parrots, and other *impedimenta*, struggling along the platform in the vain search for a place.

Neither have I ever observed in South America any of those weird costumes, so prevalent in European countries, used for travelling. It has often been a source of wonderment to me, as I am sure it must have been to others, to observe the grotesque

'get-up' of some men and women when bound upon a railway journey—if only from London to Margate.

A usually sober-minded, respectable matron, who would upon ordinary occasions scorn to leave her suburban residence without her bonnet-strings being neatly tied and her hair as carefully arranged behind a faultless veil, may be seen wearing her son's or her husband's cricket cap perched upon the top of her head of untidy hair, a hideous waterproof cloak concealing every portion of her attire, and on her feet a pair of thick boots which would do credit to Hodge bent upon a ploughing expedition.

The good lady's lesser half is, perhaps, equally curiously garbed in a perfect *mélange* of garments, suggesting the head of a yachtsman and the body of a gamekeeper.

Why do these worthy people think it absolutely necessary to attire themselves in these outlandish clothes?

Why, also, that desperate haste to enter and leave trains, to race on board steamboats, and to fly, as if pursued by the Evil One himself, to secure rooms at hotels where any amount of accommodation is readily available? Has anyone ever been left behind by a train or been refused a place upon a Channel boat? I doubt it very much indeed; and yet to witness the hysterical haste with which every step of a Continental journey is pursued by the average traveller, one would imagine that such misfortunes were of daily occurrence.

Possibly it is caused by the same nervousness that induces people to crowd to the gangway of an incoming steamer a full quarter of an hour before its arrival at the port, or to commence donning cloaks and overcoats some minutes before the tag is spoken at the theatre, and to bustle out of Church before even the Blessing can be pronounced. Little of this unhealthy and inconvenient form of excitement is visible among South Americans. They go sensibly and soberly about their daily avocations and amusements, and on very rare occasions only, perhaps at a popular race meeting or a political gathering where some heated arguments have been indulged in, have I noticed any of that pushing, scrambling, and hustling so characteristic of the most 'select' assemblies in European cities.

On the Argentine railways there are only two classes—first and third—and in all compartments alike is smoking permitted. There are no non-smoking carriages, and the only restriction is in the Restaurant cars, in which gentlemen are requested not to smoke 'when the Señoras are present.' As a rule the ladies prefer smoke, and although they do not use the weed in public, many of them are found enjoying their cigarettes in the sanctity of their *boudoirs*, or at the family dining-table.

Some Argentinos, although not over-punctilious in their habits either at home or abroad, are far less objectionable in regard to

expectorating in the public railway carriages and trams than are most Brazilians, who are incorrigible in this matter. Notices asking passengers to refrain from spitting are prominently posted in all the Argentine carriages, and so far as the first-class passengers are concerned, I think the regulation is observed very generally.

The Railway Companies would not appear to object to their platforms being utilized as a pleasant public promenade upon occasions. Many people, with little else to do, seem to find an intense amount of amusement in attending as spectators the arrival and departure of trains. Crowds of dirty little boys likewise make the platforms their happy hunting-ground, and may be seen darting in and out between the legs of passengers and among pyramids of luggage, having generally a 'fine old time.' Vendors of newspapers not only enter the trains, but accompany them on their way some considerable distance, and use the corridors leading from carriage to carriage to ply their trade. In the busy time this, as may readily be believed, proves a great nuisance to the passengers entering or leaving the cars.

On the South American Railways, almost without exception, the sleeping and feeding accommodation is good. It is true that the qualities of the provisions supplied vary somewhat according to the amount of supervision given by the Managers of the catering departments; but taking them altogether, the sleeping-coaches are well appointed. Some Companies have spent a great deal more on the adornment of the 'camas,' or sleeping-berths, than is necessary, whereas still others have greatly sacrificed the comforts of passengers to outward appearance. The sleeping-coaches on the Great Southern Railway are, I should say, among the best; they are not only extremely comfortably built, but the attendants thoroughly know and perform their duties, and are willing to act as valets to those passengers who may require their service. The napery used throughout is spotlessly clean, and the equipment generally beyond reproach. Last year the Company put on several additional sleeping-coaches, and they are at the present time building others, so largely has their passenger traffic increased.

The same high praise may be paid in regard to the Argentine Great Western, the Buenos Aires and Pacific, the Entre Rios, and the Buenos Aires Western. The sleeping accommodation provided on the French line of Railway (Ferro-Carril de Santa Fé) is not quite so good, although the dormitory coaches themselves are well built, being the product of the Gloucester Carriage and Waggon Company, Limited. The Central Northern Railway, which is the property of the Argentine Government, is an admirably run line in every respect, and the sleeping accommodation provided is of the very best. Some of

the 'sleepers' on the Córdoba and Rosario Railway, as well as those on the Central of Córdoba, are capable of some slight improvement. Sleeping accommodation on the dormitories is, indeed, a matter which the able management would do well to carefully consider, especially at a time when they are constructing some exceedingly handsome new sleeping-coaches. The berths on the old type of dormitories are rather too short for a man over 5 feet 9 inches. In spite of this disadvantage in a sleeping-car, I was surprised to find, from actual measurements of the new type of carriage now building at the Córdoba workshops, the same mistake is being adhered to. The berths should be made 2 or 3 inches longer at the very least, and if the Company wish to economize in construction, I would suggest a little less gilding and hand-painting on the walls of the dining-car, fewer expensive oak panels for the 'sleepers,' and less costly baths. The latter are the finest I have seen on any railway system, and seem to be the result of a very expensive experiment—admirable as to effect, but surely out of place on a line mainly patronized by passengers who do not appreciate the luxury or the necessity of a bath, even when this is provided free of expense. The net cost of these new sleeping-coaches is about £2,000, and yet the most desirable feature—comfort in sleeping—is absent owing to the shortness of the berths.

The Company likewise undertakes its own catering on the restaurant cars, but this may, perhaps, lend itself hereafter to some improvement. The *cuisine*, upon which the management prides itself, is not found quite so good as it thinks, while the charges, considering what is provided, might, in fairness to the public, be modified.

The permanent way of all the railways is very well maintained.

So far as the endurance of wooden railway sleepers may be relied upon, I think that the following comparisons may be found useful :

Name of Wood used for Sleeper.	Estimated Endurance. Years.
White oak	7 to 10
Karri	2 to 3
Cedar	10 to 14
Hemlock	5 to 6
Samarack	6 to 8
White pine	5 to 6
Yellow pine	6 to 9
Cypress	10 to 12
Chestnut	6 to 9
Fir	7 to 8
Red and inferior oak	3 to 5
Elm	7
Quebracho	50

The paucity of timber in the greater part of the Argentine Republic, as well as the lack of labour to cut it, to say nothing of the difficulty of obtaining wood of the higher grades, has proved a tough question for the Argentine Companies to solve. On the top of this, a few months ago, the Government issued an ordinance forbidding any but sleepers of 'quebracho' wood being used on future extensions or new lines. A protest was at once made against this condition by some of the Companies, when the characteristic official explanation was tendered that the ordinance should be read to mean that only quebracho wooden sleepers must be used *if wooden sleepers were used at all*, but that other sleepers than those of wood might be used. Upon this explanation being forthcoming, the Buenos Aires Southern Railway forthwith ordered 1,000,000 sleepers made of steel, and these are now being supplied as fast as vessels can be found to bring them out from England. The quebracho sleepers are found admirable, so far as wear and tear are concerned, but they cost a little more—about 8s. 6d. to 9s. each—than the steel sleepers, and the supply of the material is strictly limited. It is estimated that the extent of the forests suitable for lumbering amounts to 385,000 square kilometres. These forests contain some excellent timber, such as quebracho, jacarandá, lapacho, palo-rosa, palo-santo, palma colorada, tipa, cedro, nogal, etc. The export of woodland products during the year 1903 was valued at \$3,472,708 gold, amongst which appear :

				Value \$.
Railway sleepers	...	...	...	41,511
Extract of quebracho	...	...	...	1,204,049
Quebracho logs	...	...	...	2,002,010

The failure of the karri wood from Australia in use as sleepers on the Argentine Railway will not much surprise those who may have had similar experiences of the material in other parts of the world. It is found to be not in the least impervious to the ravages of the destructive wood-worm, as has been supposed, and some piles made of this wood and used on the elevated Mole belonging to the Southern Railway Company at Bahia-Blanca had to be taken up and replaced after the second year, owing to the water-worm having drilled the piles through and through.

During the past year (1905) some very heavy orders for railway material and structural iron have been placed in Belgium (Liège) by Argentine railways. These have been divided between about four big firms, and the orders are being very satisfactorily carried out, as I understand, and delivery being made promptly to contract. It may also be accepted that the Belgian firms have of late considerably improved their

works, replacing their old plants with modern, up-to-date machinery. They no doubt feel much encouraged by the support they receive from South America generally.

For many years past, indeed, ever since Argentina emerged from the sea of internal troubles and financial discredit in which at one time she seemed to have a positively fatal propensity for involving herself, the railways of that Republic have been credited with being the best constructed, the best managed, and the most successful in South America. As a matter of fact, the Argentine railways have, deservedly or undeservedly, a very considerable reputation, and it is to live up to this reputation that every effort is made.

Exaggeration and over-estimation have played a prominent part in the plaudits which have been showered upon South American Railways; but, allowing for both these, comprehensible enough in regard to a country which has not long been regenerated, there remains much to praise and to admire. That the iron horse has arrived at the apex of his greatness, of its utility and its perfection in this part of the world, however, must not be believed. There is much to perfect yet; but so much has already been accomplished—so much is being accomplished day by day—that he would be a rank pessimist who could doubt the ultimate attainment of railway completeness in Argentina. Without going into details of the smaller and less important branch lines, the principal railways of Argentina may be classed as follows:

Argentine Great Western.	Central Argentine.
Argentine North-Eastern.	Córdoba Central.
Argentine Transandine.	Córdoba and North-Western.
Bahía Blanca and North-Western.	Córdoba and Rosario.
Buenos Aires Great Southern.	East Argentine.
Buenos Aires and Pacific.	Entre Ríos.
Buenos Aires and Rosario.	North Argentine.
Buenos Aires Western.	Villa María and Rufino.

The above sixteen lines are the properties of different companies, mainly British. But there are also the Buenos Aires and Port Lines, Catalinas, Corrientes to San Luis de Corrientes, Colonia-Ocampo to Puerto Paraná, Florencia-Piragrea and Malagueno, which are the property of some secondary Companies, more or less of local connection; while, yet again, there must be mentioned some Government lines, consisting of the Andine (Villa María to Villa Mercedes), the Central Northern, and the North Argentine. There is one French Company, known as the Province of Santa Fé Railway.

The amount of British capital already invested in Argentine railways cannot be much less than £350,000,000.



ESTANCIA LIFE IN SOUTH AMERICA

Bathing Cattle preliminary to Shipment



ESTANCIA LIFE IN SOUTH AMERICA

Despatching Cattle by Railway

From the adjoined list it will be seen that, with a total population of little over 5,000,000, the country is well supplied with lines of railway. Probably no other country in the New World could point to a similar result within a period of something like a quarter of a century, for it is in that time, more or less, that the development of the Argentine Republic has come about.

I have not attempted to arrange the lines in the order of their importance, or even in groups. As will be observed, they are alphabetically enumerated, and that is all.

In addition to these existing lines, great activity is being manifested by British and native concessionaires in constructing connecting lines. For instance, during the next few months, I understand, the well-known Argentine engineer, Horacio Anasagasti, formerly Argentine delegate to the St. Louis Exhibition, will commence to construct 1,900 kilometres of alternative electric and steam traction lines, and with the gauge of the tramways 1'44 metres. One line will start from the Central Produce Market, Barracas, to Santa Catalina, San Vicente, Bonnement, Ayacucho, and Mar-del-Plata; from Bonnement another line will cross Santa Rosa to Bahia Blanca; from San Vicente a branch will reach the La Plata Port, and another branch from Bonnement will go to the San Borombon Port. A further line will start from the Riachuelo, Barracas, to Merlo, and, between the Southern and Western lines, continue to the Saliqueló Station, and from there turn to Bahia Blanca, with a branch in front of Saliqueló, to finish at Villa Mercedes (San Luis). The electric traction will be used over an extension of 50 kilometres, where the traffic is more frequent. The concessionaire considers that the gauge of the tramways is of very great importance, because he can join with all the tramway lines of the city, and with all markets, slaughterhouses, and shipping places. The important outside stations will be provided with refrigerating establishments. Señor Carlos M. Larrazabal has asked for a concession for the construction of a line from Bahia Blanca to Jujuy, passing through La Colina, Venado Tuerto, Marcos, Juarez, Ceres, and Colonia Rivadavia. Señor Alejandro Madero has asked for a concession, starting from San Antonio (San Matias Gulf) to Villa Mercedes, fronting Bahia Blanca; a branch to the latter place will be constructed.

The Entre Rios Railway Company has obtained permission to amalgamate and continue the lines as far as the mouth of the River Ibicuy. There the trains would cross in ferry-boats to the station at Lima (Buenos Aires and Rosario Railway) and continue to the Capital by an additional rail, as the gauge is only 1'45 metres, or by special arrangement of the axles. For this

crossing, as well as for the prolongation of the lines up to Posadas (the higher Paraná River), permission of Congress has been asked. The outlay would amount to £700,000. With a further extension of 100 kilometres in Paraguayan territory, Asuncion and Buenos Aires would be in communication in forty-eight hours by railway, saving four days in the actual journey by water. A further communication with the Brazilian railways is also contemplated.

CHAPTER XV

The railways of Argentina—Buenos Aires and Pacific—Early days and modern progress—Passenger and goods traffics—Relations with the Government—A 'Tom Tiddler's' ground—Villa Maria and Rufino line—Mileage worked—The Bahia Blanca Railway—The longest straight line 'run'—Construction details—Character of Goods Traffics—The Nueva Roma—Villa Mercedes station building—Extensions in hand—The staff

THE present Company commenced life in a very humble manner. The line was to run from the town of Mercedes to another known as Villa Mercedes, in the Province of San Luis. This line was opened for traffic in 1886, but was speedily found insufficient for any practical purposes. So it was at once extended further on to the capital, Buenos Aires, from the Mercedes end. This portion came into use two years later, and now the Company has a line 1,274 kilometres long. At Villa Mercedes, the terminus, the line joins on to that of the Argentine Great Western, or would were it not for a small section, of about $\frac{1}{2}$ kilometre, which is owned by the Argentine Government, and which has proved a veritable 'Tom Tiddler's' ground.

Year by year, as the vast country in which it operates expands more and more, the Buenos Aires and Pacific expands with it. Every department is eloquent of this fact; but the working expenses show a marked tendency to keep at a reasonable figure, which is all the more notable considering the number of additions, alterations, and improvements which are continually in progress. The passenger traffic, owing to the new 'International Train' from Buenos Aires to Valparaiso, and *vice versa*, which runs three times a week each way, has become an important factor of the revenue, and promises to develop still more. The transcontinental journey is full of interest to the novice, but a trifle wearisome after the first experience, enduring as it does for nearly three days. Every train is well filled; but the winter season always proves a dreary blank, since it is practically impossible to master the Andean passes between May and October on account of the extreme cold. As soon as the present Transandine (Chilian) line, now making rapid headway, and which will probably be completed in four years' time, is open, the stream of passengers from the Argentine to Chile will

be uninterrupted summer and winter. This will be the heyday of the Buenos Aires and Pacific, in conjunction with its ally, the Argentine Great Western. It is mainly due to their enterprise that the undertaking has so far prospered.

The goods traffic of this line for 1905 ought to show an equally gratifying return. Things are exceedingly prosperous in Argentina at the present time, and the public, apparently, have awakened to the advantage of having an up-to-date and keenly alive railway to bear off almost from their very doors all the produce and live stock which they can supply. There is seldom any *impasse* or breakdown on this line, and the consignees of such perishable articles as milk, cream, fish, fruit, and vegetables find their goods handled expeditiously and moderately, a further reduction in the freight upon all these articles having recently been made.

The management are wisely preparing for the big rush that the next season's harvest will bring, while maize, linseed, barley, potatoes, flour, hides, hay, stone, and quantities of live stock, are all showing increases in quantities. In Bahia Blanca alone there has been an increase of something like 72 per cent. in the area under cultivation.

Ten years ago the total earnings from all sources of revenue amounted to little more than £260,000. To-day these may be put at something very nearly approaching £1,000,000, or, say, an improvement of almost 300 per cent. Side by side with this showing may be mentioned the ratio of expenses, which have been kept carefully in hand in face of the heavy outlays necessary in the maintenance and extension of the lines. When the Company's gross earnings stood at £260,000 the expenses were 56 per cent. of the receipts, whereas to-day, with the increase of gross revenue to £959,000, the expenses amount to something less—namely, 55 per cent.

All present relations existing between the Buenos Aires and Pacific Railway Company and the Government may be said to be of a friendly character. This was by no means always the case, and some years ago there was something like a trial of strength between the Executive and the Company, which did not result in an overwhelming victory for either.

At the present time the Company's principal station is at Retiro, the property of the Central Argentine Railway, with which an agreement is still in force. Ere long, however, the Pacific will have constructed a big terminal station of its own, and its present station at Palermo, a suburb of and quite close to Buenos Aires, has been considerably enlarged, and the right of an independent access from Palermo along the foreshore of the river to the docks has been sanctioned by Congress. The Company has also an important concession granted to it to

construct its first-class station (terminal) in front of the City of Buenos Aires.

Some years ago a rearrangement of the Company's financial agreements under the original concession was arrived at, which has proved beneficial to both the Government and the Company. The original concession was granted in 1878, and provided for a Government guarantee to the extent of 7 per cent. for a term of twenty years; but some eighteen years later the Company, having felt its feet, was desirous of throwing off all further protection—and the accompanying restrictions—of this kind. It rescinded all claims for arrears of future guarantee upon receiving a lump sum of £376,984, payable in 4 per cent. bonds, and $\frac{1}{2}$ per cent. amortization annually, or, say, £178,571 in discharge of arrears of guarantee, and £198,413 in discharge of all future claims on guarantee account from January 1, 1896. On its side the Government abandoned all claim under the concession, by which the Company had to pay 50 per cent. of the gross receipts as from the year 1885; and it further undertook not to grant any concession within 30 kilometres of the line, with Government aid, to any other individual or Company for a period of ten years.

Thus there was come to a very friendly and, at the same time, mutually advantageous arrangement; and, as things have turned out, it has proved one of the most diplomatic and sensible steps which the Company has undertaken. But it was not the only one of the kind consummated, for a few years afterwards—to be exact, in 1900—an arrangement was come to, under Government auspices, by which the Buenos Aires and Pacific Company acquired the important line known as the Villa Maria and Rufino Railway on a twenty years' lease.

B. A. & P.—CONSTRUCTION DETAILS.

Length of whole line, 1273'645 kilometres.

Gauge, 1'676 metres.

Maximum grade, 8 per *mil.*

Bridges, 112; total opening, 1,561 metres.

Culverts, 355; total opening, 613 metres.

Stations, 88.

Sheds:

Goods and grain, 204.

Coach, 8.

Locomotive, 12.

Employees' houses, 101.

Since last October an important arrangement has been working between the Buenos Aires and Pacific Company and the Bahia Blanca and North-Western Railway, by which the whole of the management of the latter line passes over to the Pacific Company. The importance of the Port of Bahia Blanca—de-

clared by some to be 'the only true and future port of Argentina,' since that of Buenos Aires is not only becoming too small, but is continually being choked up with sand from the heavy banks which have formed there—cannot be over-estimated, and the Company have done an excellent stroke of business in getting the control of this line. They have taken over the mole (quay), the Produce Market, and the steam tramway in the town of Bahia Blanca. Some heavy improvements are contemplated here, and an extension from Nueva Roma, on the Bahia Blanca original main line, to connect up with the Pacific Railway at Pedernera, is in course of construction. When completed this will add about 365 miles to the system operated by the Pacific Railway, which will then boast of a total of about 1,625 miles. In due course the Company's new acquisition will unquestionably rank among its most valuable and remunerative assets, more especially in view of the exceptionally favourable terms—so far as the payment for the new property is concerned—upon which the Pacific Directors have acquired it for the Company.

The greatest feature of this line, which probably possesses the longest straight 'run' in the world, is the fact that it stretches from ocean to ocean, in conjunction, of course, with other associated lines. In a few years' time trains starting from Buenos Aires on the Atlantic side will run right across the South American Continent to Valparaiso, on the Pacific Ocean, and in the meantime a small portion of the journey is being carried out by means of coaches and mules. The amount of passenger traffic, already considerable, will then become exceedingly valuable. The goods traffic at present, owing to the gap between the Argentine and Chilian Andean Pass, and which has to be covered by animal traction, is necessarily restricted.

The total length of the Buenos Aires and Pacific line is as stated, 1,273 kilometres 645 metres. The gauge throughout is 1'676 metres, and the line, running as it does almost entirely over a flat and level country, has neither gradients nor tunnels, nor yet any costly embankments, to face. The maximum grade is but 8 per 1,000. There are a large number of bridges, however, namely, 112 in all, the total opening of which amounts to 1,561 metres, while there are some 355 culverts—the opening amounting in the aggregate to 613 metres. Admirable maintenance of the permanent way and all buildings, rolling-stock, etc., may be said to be a distinguishing feature of the Company.

The Buenos Aires and Pacific Company carries, *inter alia*, a good amount of grain—not, of course, anything like the proportion claimed by the Great Southern line, but, nevertheless, the allotted portion of their traffic this year has been very heavy, owing to the unexpectedly big harvest.



ESTANCIA LIFE IN SOUTH AMERICA

Types of Uruguayan Cattle-herders



ESTANCIA LIFE IN SOUTH AMERICA

Branding Horses

There are down the line some 204 well-built and capacious sheds, used both for grain and general goods. In addition to the goods and grain sheds, the Company has 8 coach-sheds, at various stations, 12 locomotive sheds, and 101 employees' houses. These, for the most part, are well and conveniently built, and the inmates are made to keep them clean and attractive in appearance. The Argentinos are not, as a rule, remarkable for their love of cleanliness or order, and no doubt the Company has in its time found some difficulty in inducing its employees to pay proper regard to outward appearances.

The following extensions are in hand :

	Kilometres.
The doubling of the line between Hurlingham and Muniz, amounting to the laying of	8
The Alberdi Branch, amounting to the laying of	138
	<hr/>
In the Buenos Aires Province	146
	<hr/>
The Sampacho Branch comprises the laying down of ...	67
The Laboulaye Branch to South-West the laying down of ...	170
	<hr/>
In the Córdoba Province	237
	<hr/>

The Buenos Aires and Pacific Company have hitherto had to use the same departure and arrival station as the Central Argentine Railway at Buenos Aires, an agreement to this effect having been in force some years. The former Company, having, however, purchased 300 acres of land outside the city boundary to be applied for railway use, are now constructing, and will have shortly completed, their own handsome station. To this they are building an independent entrance to Buenos Aires, amounting in length of new line to over 8 kilometres, so that in all they have under construction extensions amounting to 245 kilometres.

I might also mention here that the Pacific and Bahia Blanca and North-Western Railway Companies are building together the Nueva Roma to Villa Mercedes line of about 620 kilometres.

On the construction and permanent work above referred to the Company employ the following number of men :

Staff employees of various grades	74
Gangs on permanent way maintenance	1,078
Gangs on permanent way new works	629
Staff on works in construction	48
Gangs on construction works	1,098
	<hr/>
Total :	<u>2,927</u>

is proving so far an exceedingly prosperous one for the Company, in common with almost all other Argentine railways.

The whole of the systems owned and worked by the Buenos Aires and Rosario Company, and in which is incorporated the Central Argentine section, consist of 3,805 kilometres—say, 2,378 miles—of a uniform gauge of 5 feet 6 inches.

There are on these amalgamated lines some 288 stations, among the principal being those of the Ports of V. Constitucion, Campana, San Nicolas, Rosario, and Santa Fé, as well as the inland stations of Tucumán, the great and expanding sugar-growing centre, Pergamino, Frinat, Rufino, the Rio Cuarto, Venado, Tuerto, Canada de Gomez, Sastra, Santiagodel-Estero, Morteros, Villa Maria, Rio Segundo, and Córdoba, all of these latter being situated in the finest agricultural portions of the country.

The grain-carrying capacity of the railways has been very severely tested this season, and every available waggon and truck has been requisitioned for the service. Some 2,000 additional 40-ton waggons have been ordered in England for the Buenos Aires and Rosario and Central Argentine lines, and will be in full use by next season, delivery this year being rather slow, owing to the enormous number of similar orders being received from the other grain-carrying railways of the Republic.

Some 30 locomotives have already been delivered this year, or are in process of being delivered, while 25 more are due; and whereas 1,000 goods waggons, each, as I have said, of 40 tons capacity, have actually been received, the Company has had to still further increase its rolling-stock, and, if the harvest of next year proves anything like what is anticipated (and in view of the much increased area of land sown this seems likely), the amount of rolling-stock may once again be found insufficient. It must be remembered, however, that this extraordinary demand only lasts for some six or seven months out of the year, and during the rest of the twelve months the greater part of the rolling-stock remains practically idle. An economical and cautious management must necessarily bear this fact constantly in mind, and not be led away by the ceaseless demand for 'more and more' rolling-stock which is being raised.

The minimum curve found on this line is of 265 inches radius, and the maximum gradient is 1·75 inches. There are few systems over which I have travelled possessing more bridges than this Company, there being in all 318, some of which are of an exceedingly massive character, owing to the serious floods which periodically afflict this portion of the country, and which occasion much damage and loss to the lines generally, or rather did so until engineering resources

were more fully understood, and acted upon, for avoiding the usual consequences of the inundations. I do not propose to mention all the bridges over which this line runs, but I give a list of the principal ones, mentioning the localities in which they occur, the spans, lengths of spans, and their total length, for all of which information I am indebted to the courtesy of Sir George Whitehouse, the chief engineer of the Buenos Aires and Rosario Railway Company in Argentina :

Locality.	Spans.	Length of Span. Metres.	Total Length of Bridge. Metres.
Rio Lujan	2	19'30	226'63
" "	2	12'00	
" "	21	6'70	
Rio Areco	30	15'35	494'00
" Tala	35	15'35	577'00
Arroya-del-Medio	3	37'10	114'00
" Pavon	3	37'10	114'00
" Monja	10	15'30	164'00
Viaduct No. 1,031	18	19'88	356'00
Rio Sali	35	19'89	696'00
Kilometre 273 Rio IV. Branch	7	20'00	150'00
Rio Salado	12	36'57	—
" "	80	18'50	2,043'00
Rio Dulce	90	19'89	11,648'00
Rio Arrocifos	22	10'00	—
" "	2	30'00	363'00
" "	1	40'00	
Rio Segundo	1	31'00	—
" "	36	10'30	384'00

Among the several important engineering enterprises which have been carried out on these lines during the past few years, probably the most remarkable, as it is undoubtedly the largest, has been the Viaduct, constructed with the object of obtaining a very necessary high-level entrance into the terminal station at Buenos Aires. The Great Southern Railway is constructing a very similar viaduct, while the Buenos Aires Western Railway is lowering its track beneath the road level. But the Viaduct of the Rosario Company is the first of its kind seen in this flat country. It consists of no fewer than 144 spans, of varying lengths, and forming a total length of 2,105 metres. In order to carry out this great undertaking the Company has had to construct a retaining wall, built upon the edge of the Rio de la Plata, measuring 3,600 metres in length. The Viaduct is constructed, in a very solid and finished manner, of steel girders supported by cast-iron columns, and undoubtedly it may be

described as the principal construction of its kind in South America.

The general carrying trade of this railway, which has increased in every section save those of wool, hay, native timber, and horses, includes hides, sheep-skins, flour and bran, wheat and barley, maize (the principal commodity, and one continually augmenting owing to new fields planted), linseed, foreign timber, wine and beer, fruit, sugar and general goods, as well as immense quantities of cattle and a fair number of pigs.

The receipts for the first quarter of 1904 show the respectable figure of £957,761, but for the same period of this year (1905) the receipts have been £1,006,327, or, in the first three months of the year, an increase of £54,566. The increase in the net profits last year amounted to £176,791, and one would hardly expect so large a figure to be exceeded this year. But should no contretemps take place, I do not hesitate to say that this sum will be considerably exceeded for the whole of 1905, a prospect which should be regarded with much satisfaction by the fortunate preference and ordinary shareholders.

In point of actual age the Buenos Aires Western Railway—which must not be confused with the Great Western Railway of Argentina—is entitled to the place of supremacy among South American railways. The date of its inception goes back as far as 1853, when the Argentine was still in the throes of internal convulsions, and when it was naturally found extremely difficult, if not altogether impossible, to raise money anywhere abroad—in the Republic itself it was out of the question—to build a line in such a disturbed country.

However, the first few thousands of pounds were found somehow and somewhere; but it occupied about four years to bring matters sufficiently forward, and it was well into 1857 before the first small section of the Western Railway, covering the humble distance of 23,000 yards, more or less, was formally opened to traffic. Inasmuch as it was the very first line of rail opened, great celebrations took place at the inauguration, and the President of the day was extremely complimentary to the original pioneers, and prophesied great extensions in other directions at no distant date. Even he, however, optimist as he was, could never have dreamed of the splendid network of lines that to-day cover the Republic, and due in almost every instance to the pluck and enterprise of Britishers.

Well, the Western was duly launched upon the sea of fortune, and a very rough and unkind element it was found. Having been seriously crippled at the outset of its career by an insufficiency of funds, as already mentioned, the line soon came to grief, and practically to a standstill, for want of money. Every effort was made by the original Syndicate to raise funds,



ESTANCIA LIFE IN SOUTH AMERICA

Castrating Horses on a Farm. This operation takes place simultaneously with Ear-nicking and Branding

... ..

but without success; and, finally, to prevent the line from becoming useless altogether, the Argentine Government had to step in and advance the amount required.

Even then Fortune somehow refused to smile upon the undertaking. Miserably poor traffics were realized for a long time, and as the line only ran out to a suburb called Flores, then but sparsely built upon, but to-day a flourishing and still growing resort, it seemed as if further extensions must be completed before any practical benefit could accrue to the enterprise.

Finally, things reached a crisis, and the Government were obliged to take over the line altogether. In 1863 it became the property of the State, and remained so until 1890, when the Government were plunged into serious pecuniary difficulties and were compelled to sell the whole concern, by this time a considerable undertaking, to an English Company, for a sum of money going well into two millions of pounds sterling. The money handed over to the Government by the English Company was destined to pay off some very pressing debts, but by the time the creditors presented themselves it was found that more than one-half of the sum received had been misappropriated, a circumstance neither very remarkable nor particularly reprehensible in the opinion of the Argentine people of those days. Things have considerably improved in this respect since then, however, under a more responsible and respectable régime.

The present Company took over the Western line as it stood in the years 1890, when the mileage then open was 338; from 1893 onwards the extensions commenced, gradually creeping onwards until, in 1900, the line reached a total length of 591 miles. To-day there are some 966 miles of line open to traffic, and before the end of 1905, when the present small extensions now in hand are completed, there will probably be close upon 1,000 miles of line in active running order.

When it first took possession of its new property the Company found it desirable to sell some portions of the line, as they were found of little use to them, but of greater value to other railways, such, for instance, as the Great Southern and the Central Argentine Railway. The standard gauge of the Buenos Aires Western Railway is 5 feet 6 inches, and throughout it is well laid and in good condition. To some small extent a portion of the line runs parallel with that of the Buenos Aires and Pacific, although it is only fair to say that the Buenos Aires Western line was in existence many years previously. The mistake of duplicating running directions in some parts of South America has frequently occurred, and I have noticed this especially to be the case in Argentina. There are, for instance,

expensive electric power plant have been introduced at Liniers, which will serve the interests of the Company for a good many years to come.

The capital of the Western Railway is not top-weighted, as may yet prove to be the case with certain of the other South American lines. After paying 6 per cent regularly for four years (ending with 1901-1902), a jump of 1 per cent. was made in 1902-1903, and also for this year, 1904-1905.

To-day the Western Railway's reserve fund amounts to about a quarter of a million, and other funds established have been benefited by substantial additions, now amounting in the aggregate to another quarter of a million sterling. Altogether, the Western Railway may be regarded as a very strong and capably-managed enterprise, ranking as one of the best to be found to-day in South America.

The employees of the railway form a competent and capable body of men, and, although the Company has had to bear its share of labour trouble, owing to the unrestricted manner in which strike agitators are allowed to pursue their calling in this 'too free' Republic, the relations between the Company and its servants, as a rule, are quite harmonious. The strike which commenced at the latter end of November last, and continued into the early days of December, was soon settled, and traffic was scarcely affected; the latest strike, namely, that of last July, was hardly more serious, and at the time of writing it would seem that under the ægis of Mr. David Simson, the very capable and enterprising General Manager, the railway's prosperity is uninterrupted.

The number of staff employed on the railway is about 5,600.

The capacity of the workshops can only be estimated, as they have been opened but a few months; taking, however, as a basis the output of the old workshops, the following is, more or less, the annual capacity :

	Repairs.*	New Stock.
Locomotives	60	22
First-class day saloons	60	10
Second-class day saloons	21	7
Sleeping saloons	15	5
Dining saloons... ..	8	2
Passenger brake-vans... ..	21	8
Goods waggons	1,200	350
Cattle waggons	120	50
Goods brake-vans	80	25
	1,585	479
Average number of men employed in workshops ...		715

* The figures represent heavy repairs; light running repairs are dealt with at various points.

CHAPTER XVII

Past and present career of the Argentine Great Western—The transcontinental route to Chile—Present and future traffics—The Villa Mercedes Station difficulty—Extensions—Mr. F. W. Barrow—The value of the land served by the line—A German settler's opinion—San Carlos district—San Martin extension—Bahia Blanca extension—Entre Rios Railway Company—The six systems—Character of country traversed—Features of the line—Stations and buildings—The management and staff—Ports on Paraná and Uruguay Rivers—Amalgamation scheme—Province of Santa Fé Railway—Relations with the provincial Government

LIKE many other of the Argentine lines in existence, the Great Western Railway commenced its career as a Government-built concern, and was first laid down in the month of March, 1878. The original concession was rather an elastic one; but again, like many other Argentine lines, the original terms were widely departed from, and things turned out very differently from what was expected.

However, the Argentine Great Western line was built gradually, and in course of time extended from its starting-place, Villa Mercedes, to its terminus at the town of Mendoza. I have in a previous chapter referred to the through route combination which exists over the Argentine Great Western, the Buenos Aires and Pacific and the Transandine Railways, by means of which passengers can be carried from one side of South America to another in less than three days. This year a fast service was instituted, making trips to Valparaiso in forty hours. The return journey from Chile takes more time, but I am advised that the difficulties affecting the accelerated journey from Chile will be removed before next season, when the journey both ways will be done in forty hours or thereabouts.

The Argentine Great Western Company has to pay the heavy rate of \$7½ upon every head of cattle and waggon-load of freight passing over the short stretch of Government line, about 1 kilometre, commencing at Villa Mercedes, really belonging to the Andine line (Government Railway). The English Company are forbidden to build a railway station of their own. In fact,

they have no ground sufficient for the purpose, and the Government persistently refuse to let them have any. The only 'station' owned by the Argentine Great Western Railway consists of two old disused third-class passenger coaches without their wheels, and their inside seats knocked out. Here such railway booking as exists—and it amounts to practically nothing, as all the passengers passing over the line are booked in Buenos Aires at the one end and at Valparaiso or Santiago at the other—is transacted. The Company has, nevertheless, attempted time after time to obtain permission to erect a small but suitable booking-office, but in vain.

That the management of the Argentine Great Western Railway is in the control of men who understand their business is proved by the fact that when the Valparaiso Transandine Railway was in the hands of the former owners the annual loss on working amounted to a figure which the new management has succeeded in reducing considerably, and no doubt ere long the deficiency will be wiped out altogether. No great profit must be looked for, however, until the whole transcontinental line is finished and in full working order. The two big companies—the Buenos Aires and Pacific and the Argentine Great Western—are jointly concerned in the extension of the line from Las Cuevas (which is at present the terminus of the railway, and where passengers have to take either coaches or mules across the mountain pass) to join up with the Chilian section, which connects with the Chilian State Railway at Los Andes. It will thus be seen that in crossing from Buenos Aires on the Atlantic to Valparaiso on the Pacific Coast passengers are carried by no fewer than five different companies' lines—the Buenos Aires and Pacific, the Argentine Great Western, the Argentine Transandine, the Chilian Transandine (at present known as the Transandine Construction Company), and the Chilian State Railways.

Both the Argentine Great Western and the Buenos Aires and Pacific Company are guaranteeing the provision of the necessary funds for the completion of the Transandine line, the Great Western undertaking to bear all charges for extraordinary 'expenditure,' which up till now had been payable by the Transandine Company, in exchange for the lowering of the percentage of the gross receipts hitherto payable to the latter concern.

The Great Western Company's own line has, in the meantime, fully participated in the general prosperity which, during the past year, has attended almost all of the Argentine railways. The net profit in the working has resulted in £222,000, as against £207,000 for the previous year, while every section of the receipts shows a substantial improvement. The working expenses, however, display an increase of something like 1 per



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Standard First-class Day Saloon, Buenos Aires Western Railway



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Standard First-class Dining Saloon, Buenos Aires Western Railway



cent., but this is explained by some extraordinary expenditure for renewals still in hand. Passenger traffic has improved by 10 per cent. in numbers and in actual cash by over £10,000. Goods also show a commendable improvement, amounting to nearly 50,000 tons; but for 1905 these figures, as well as for the passenger traffic, show a further heavy increase. The line, which runs through the Cuyo district, has a splendid field open to it, and the two new branch lines, one to San Rafael and the other a loop line running round the rich wine-producing suburbs of Mendoza, have materially added to the gross carrying receipts of the Company, and should hereafter prove valuable sources of revenue.

But, great as has been the progress made by the Argentine Great Western Railway hitherto, it is really in the future—and the immediate future—that the great prosperity of the concern lies. Mr. Frederick William Barrow, the Chairman of the Company, knows as much about the Argentine and its future as any man living. He proved himself an adept at successful management in Brazil, when he succeeded in doing wonders for the Leopoldina Railway Company, which work he left to be continued by the competent hands of an equally clever and skilled manager, Mr. J. Percy Clarke. Mr. Barrow's influence in railway circles is considerable. Few men have a finer record, and a kind of 'mascotte' seems to attend his decisions and enterprises. He is at present straightening out the somewhat congested traffic arrangements of the Great Southern Railway, which has literally been suffering from too much prosperity.

Mr. Barrow has succeeded, where nine out of ten men would have failed, in inducing the Directors of the Great Western Railway to enter upon a vast and comprehensive scheme of extensions, which will mean the expenditure of some few millions of money. Great and costly as these extensions will prove, I am of opinion that Mr. Barrow's optimism will be abundantly justified.

The district shortly to be exploited is one of the richest and, at the same time, the least served of any in the Republic. It opens up vast possibilities for a good system of railways all converging to a centre, and bringing in sustenance to the trunk line. The formation of the land is a gently sloping and particularly fertile plain, already possessed of an excellent irrigation system, and although at present but sparsely populated, will find plenty of residents so soon as that great civilizer the railway comes along. This district, known as the San Juan, possesses some of the finest agricultural land in the Republic. I had an opportunity of conversing at some length with a young German settler in this region during my journey

across the Province of Buenos Aires, *en route* to Chile. My informant assured me that he would not exchange his settlement for any other in the country, since he had found the conditions—soil, climate and labour—like the best to be obtained. The only thing lacking was effective railway connection, and that, as we have seen, is destined soon to be provided.

The San Carlos district is another well-endowed portion of the country. Here the population is more numerous, but the farmers and planters have at present to drag their produce over some 70 miles of execrable road before they reach a railway line. The new scheme put forward by the Argentine Great Western will bring the line right across and through the district. It is intended, subject to surveys yet to be completed, to start one of these new extensions from the Lujan Station, and run it across to San Carlos, a distance of some 60 miles. The country presents the appearance of a hopeless, flat, and unproductive desert. As a matter of fact, it consists of some of the finest soil in the Republic, as many as three crops of wheat being obtained in a year. But it produces equally a particularly fine class of grape and alfalfa, and is excellent for cattle. The market will be found principally in Mendoza.

Another branch line will go from San Martin to Rivadavia, taking off from the main line about 20 miles or so east of Mendoza. Yet a third line is contemplated from Lujan, already mentioned above, to kilometre 11 of the Transandine Railway, with which Company, by-the-by, arrangements have been made to lay down a third rail from kilometre 11 to Mendoza. It is contended that, by adopting this expedient, all the desired advantages of traffic will be secured without the cost of constructing a railway through properties of acknowledged value, the owners of which would have to be heavily compensated.

The pet scheme of the Argentine Great Western Railway is, of course, the coveted extension to the important port of Bahia Blanca. A concession has now been obtained from the Government to build an extension line which will connect the Great Western Company and the Bahia Blanca and North-Western Railway. The lines will meet at Toay, probably starting from the Bahia Blanca end, as materials would be got up much cheaper and much more expeditiously than anywhere else. Inasmuch as the Buenos Aires and Pacific Railway (with which the Bahia Blanca North-Western is now allied) and the Argentine Great Western Railway are excellent friends, and have already worked together with mutual advantage in connection with the transcontinental line (Buenos Aires to Valparaiso), this new arrangement will be all the better carried out by reason of the hands into which it has fallen. It is certain, if things had not eventuated as they have, that the Government

would have laid down a new line to Bahia Blanca on their own account. This would have meant serious competition for the British companies.

The constructional details of the Great Western Railway are thus summarized :

1. Length of line, 464,174 miles.
2. Maximum gradient, 1'43 per cent.
3. Number of stations, 50.
4. Number of goods sheds, 16. The principal goods sheds are at Mendoza, Godoy, Cruz, and San Juan.
5. Number of engine sheds, 7. The principal engine sheds are at Mendoza and San Luis.
6. Number of bridges, 78. Largest span, 62'25 metres. Smallest span, 5 metres. Total length of spans, 2,032 metres.
7. Number of culverts, 802. Largest span, 5 metres. Smallest span, 0'42 centimetre. Total length of spans, 1,283 metres.

As the name of the Entre Rios Company suggests—'between rivers'—the line serves a territory which is bounded upon one side by the Paraná River and on the other by the Uruguay, both magnificent waterways, which, with the Amazon and the River Plate, are among the widest and most easily navigable rivers in South America. The line runs partially through what is known as the 'pampa' country, remarkable for its many undulations and the almost total absence of trees, but favoured, nevertheless, with admirable pasture-land and wheat-growing soil. The total square area of this Province of Entre Rios is 75,000 square kilometres, and the population is about 354,000. Some of the finest land I have seen anywhere in South America is to be found in this district ; and it may not be out of place to mention that those portions contiguous to the railway line have fetched, and are fetching to-day, six and seven times the price which was paid three or four years ago.

The Entre Rios system is composed of a trunk or central line, and no fewer than six different branches. The names and lengths are as follows :

	Kilometres.
Central line	290'00
Vicheoia branch	57'24
Macia branch	18'79
Guauguay branch	119'93
Guauguaychu branch	101'27
Villaguay branch	62'14
Concordia branch	115'43
	758'80

Owing to the character of the country and its frequent undulations, there are many curves and gradients. Altogether about 23 per cent. of the line is on curves, which, however, are not

sharp, the average radius being about 700 metres, and one only exists the radius of which is less than 350 metres. About 34 per cent. of the line is horizontal, the ruling maximum gradient being 1 in 100.

A large sum of money has already been expended upon the stone ballasting of the line, and it is the intention of the management to continue this form of ballasting as rapidly as funds permit. The entire line is maintained in an altogether admirable state of repair, the bridges and culverts, of which there are an exceptionally large number, being as good as any I have seen anywhere in this country. The number of these latter aggregate an average of about 25 feet of waterway per mile of line. Across Gualeguay River there is a clear span of 300 feet over the main water, while over the Arroyo Grande there is a 130 feet span. Again, across the Yerua and Yugueri Grande Rivers the girders are of 100 feet clear span.

The sudden and violent risings of all these rivers in the winter months have given, and will no doubt continue to give, considerable trouble to the engineering control of the railway, whole lengths of line and embankment having been carried away on more than one occasion. Every possible precaution is taken against these mishaps, but the country is subject to inundations and wash-outs at times, although these floods disperse almost as rapidly as they occur on ordinary occasions.

The line comprises some fifty stations in all. The principal one is at Paraná, and is a large and substantially built and convenient structure of brick and stone, with the administrative offices situated above. The workshops, which are both large and well furnished with all the latest machinery and appliances, are kept fully occupied and scrupulously clean and neat. Some excellent constructional and foundry work is turned out from these shops under the superintendence of the resident engineer, Mr. J. R. Garrod, and the locomotive superintendent, Mr. H. Brewer.

The remaining stations of importance are situated at Nogoya, Tala, Basavilbaso—a sort of 'Clapham Junction,' where the trains from four different quarters of the Province meet—Uruguay, Vicheoia, Gualeguay, Gualeguaychu, Villaguay, and Concordia. At the last-mentioned place the station is the property of the East Argentine Railway Company, with whom the Entre Rios has a working arrangement.

All down the Entre Rios track there are evidences of the growing value of the wheat-carrying trade.

The Company owns two ports—one at Uruguay, which is being extended as the local trade also extends, and the other at Bajada Grande, a few kilometres from the town of Paraná. The wharf at the latter place has a river frontage of 190 metres,

giving sufficient accommodation for a single line of three ocean-going steamers alongside. In busy times as many as six steamers have been loaded simultaneously, but, unfortunately, the amount of ground space available for the trains of freight waggons is very narrow and prescribed, a fact which handicaps considerably the quick despatch of the steamers. Owing to the encroachments of the river at times, and the lack of sufficient water at others, the Company on occasions finds itself in a quandary as to how to proceed. The Bajada Grande Wharf may one day be extended in length, but, unfortunately, owing to the contour of the land available, it can never be extended in depth, which is just what it most urgently needs.

The troubles which attended the career of the Entre Rios Railway seem to have passed away; both the revised and modified financial arrangements, which were inaugurated this year, and the greatly improved local management are responsible for this. The line cost far too much to commence with. Extravagance marched hand in hand with incompetence in the early days of the concern, when, that is to say, the work of construction was carried out in the form of a Government contract in the year 1887. The line, although then only traversing about 228 miles, took something like four years to complete, and cost in some sections nearly £4,000 a mile. So badly was the work carried out, and so inferior were the materials employed, that when the present Company took over the line from the Government it was found absolutely necessary to restore whole sections; the permanent way had to be relaid and raised for entire lengths, bridges had to be strengthened or entirely replaced, and a complete overhauling of culverts, embankments and sidings undertaken. At the present time it would be difficult to find in the Argentine Republic any better equipped or more efficiently maintained line of railway.

There is talk—revived again and again, the story being by no means a new one—of a triple amalgamation between the Entre Rios, the East Argentine, and the North-Eastern Argentine Companies. Such an amalgamation would be quite practicable, the gauge on all being the same—namely, 4 feet 8½ inches. No doubt great economies in management could be effected, but the undertaking out of the three most likely to benefit would be the East Argentine, the future of which, without some such outside aid, is not destined to prove a particularly bright one. The wheat-carrying trade of the Entre Rios is all the time becoming annually of greater and greater value, and if the harvest for 1905-1906 proves anything like as fine a one as that recently gathered, the profits of this Company should send the preference shares well over par.

The Entre Rios management is entitled to every credit for

the expeditious manner in which its freight is handled. In spite of the abundant harvest experienced this year, the heaviness of which has taxed the resources of every railway in the Republic to the utmost, this Company has managed to convey its enormous freights to the complete satisfaction of the farmers and shippers. The Company's line at Basavilbaso runs through the Jewish Colonization Settlement, from which a good deal of wheat is produced, and both with this by no means placid portion of the community, as well as with others doing business with the line, the utmost friendly relations exist. This is one of the most pleasing features in connection with an all-round excellent management.

For many years Mr. Follett Holt, a railway man with great experience and considerable influence in the Province of Entre Rios, has been General Manager of this line, which for many reasons is not too easy a one to work, but mainly, perhaps, owing to the many branches which have to be brought into account. Mr. W. Thompson, the Traffic Manager, has been connected with this railway for some sixteen years, and may be said to know its ins and outs as completely as Mr. Holt himself. Like his chief, also, Mr. Thompson possesses the rare but desirable faculty of making friends at sight, and it is by no means unusual to hear the praises of both these officials sung by the largest as well as the smallest users of the line. The steady progress made by the Entre Rios line may be attributed greatly to the devotion of the staff to its interests.

While in Santa Fé I was enabled, through the courtesy of M. J. J. Couran, General Manager of the line, to go over the railway known as the 'Province of Santa Fé,' which connects the town of that name with the principal line to Rosario, the terminus being the town of San Francisco. The Company is a French one, but it makes use of British-built rolling-stock, many of the dormitory coaches and passenger cars being constructed by the Gloucester Carriage Company, Limited. The total length of the line is some 1,311 kilometres, and the gauge is the metre. Originally the concession to construct this line was entrusted to a British firm, that of John Meiggs and Son, and they carried out their part of the work on behalf of the Santa Fé Government. The work has been very carefully and thoroughly done, and although there have been no engineering difficulties of any kind to encounter, care had to be taken with regard to the possibility of floods. The whole of the region through which the line runs lies very low, and at the time that I visited the district all the low-lying lands, including either side of the railway track, but not the track itself, were deep under water. The Paraná River had been in flood for some weeks past, and at one time the railway stood in peril of being washed away.



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Interior of Standard First-class Day Saloon, Buenos Aires Western Railway



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Interior of Standard First-class Dining Saloon, Buenos Aires Western Railway



The French Company to whom the line has been leased has found the concern a fairly profitable one. It is run on the usual French system. The receipts have consistently improved year by year, and, like most other Argentine Railways, the Company has had an exceedingly profitable time this season. The capital stands at $15\frac{1}{4}$ millions of francs—say, £630,000—with what are known as ‘Concordatory’ Bonds, amounting to another $83\frac{1}{2}$ millions of francs, or £3,340,000.

The Company lately sought permission from the Government to sell a portion of the line between San Cristobal and Manuel Galvez for \$13,000 (gold) per kilometre, and to enter into a contract permitting the trains to run over the remainder of the line between Galvez and Santa Fé. The Government, however, refused to grant permission, and a new line will be constructed, which must considerably interfere with the future prospects of the Santa Fé Company.

It must be confessed also that this Company does not stand upon the best or most friendly terms with the public of Santa Fé. Complaints of defective management, shortage of rolling-stock—an old, old complaint levelled against every Company which may not happen to handle the freights entrusted to it as rapidly as suits the convenience of the consignee—and indifference to time-table punctuality are common, and special representations in regard to these alleged deficiencies on the part of the Company have been made to the Provincial Government. The Company itself, however, remains placidly indifferent to the complaints, preserving a sullen and reserved attitude, neither admitting nor denying that there is any cause for the dissatisfaction which exists. In the meantime it goes on making money.

CHAPTER XVIII

The Great Southern Railway Company, the longest and most wealthy line in the Argentine Republic—Small beginnings—A capital of £30,000,000—Relations with the Government, press, and people—An overwhelming harvest—Port of Bahia Blanca—Contemplated enlargement—The loading arrangements—Conveying machinery—Line extensions in hand and projected—Dock Sud—Capacity when finished—Stations—Bridges—Culverts—Features of engineering interest—Works at Banfield—Rolling-stock—New additions—Reduction of tariff for freights

WITH the exception of the line built by the Bahia Blanca and North-Western Railway, now being worked by the Buenos Aires and Pacific Railway, which runs from the Port of Bahia Blanca to a place called Toay, the Great Southern is the only line in this magnificent province—a wheat-field destined, I believe, to supply the greater part of the world.

The total length of line runs into nearly 2,500 miles (3,989·659 kilometres), including 1,004·602 kilometres of horizontal track, the remainder being made up of various grades, the steepest on the main line being 1 in 92 for a length of 1,042 metres, situated at a place called Sola, 2 kilometres from Buenos Aires. One has only to glance at the map of the Republic—which will be found elsewhere—and note where the Province of Buenos Aires stands out prominently, to observe that the Great Southern practically 'owns' the country round about.

Like most successful enterprises, the Great Southern Railway has had, and still has, numerous enemies. The Argentinos, in spite of having received innumerable benefits from its construction, hate it, primarily because it is a 'British' concern, managed after the approved British method; and, secondly, because of the increasingly fat dividends that go into the pockets of the fortunate shareholders. The Government are secretly hostile, because the management, having once (and only after great difficulty and much parleying) received certain concessions, subsequently, without being offered any sufficient inducement, declined to abandon them; the native press abuse it because, heedless alike of their praise or their blame, it con-

tinues the even tenor of its way; and the neighbouring settlers—or some of them—denounce it because, forsooth, they are not permitted to make their own tariffs, formulate their own contracts, and generally conduct the railway after their own desires. Thus, the concern has a difficult battle to fight, and it is an eloquent testimony to the spirited management that success has attended the Company at every turn, and that, from its commencement in the year 1862 to the present day, it has consistently made headway, until it is now the most powerful, as well as the most prosperous, railway in South America.

To write the history of the Great Southern Railway is practically to write the rise and progress of Argentina itself. Before its arrival the greater part of the Republic was little better than a vast, wild and unknown 'camp'—hundreds of square miles of flat, featureless country, the very possibilities of which were undreamt of, and probably would never have been put to the test but for the advent of the iron horse, which spelt its redemption.

Modern Argentinos, revelling in the luxury which their fathers' and their fathers' fathers' industry has bequeathed them, owners of new settlements who have found their highest aspirations concerning farming and ranching more than realized, forget or ignore the fact that little of their wealth and prosperity could have been achieved but for British enterprise in constructing, among other important lines of communication, the Southern Railway.

Naturally, the same argument and reasoning may be applied to most, if not all, new settlements, and as a rule it is admitted without demur. But one would almost imagine that the settlers made the Southern Railway, and that it was not the railway which has made and maintains them. No one supposes that the Great Southern, any more than other lines in Argentina, or out of it, is a philanthropic institution, which came into being for the express and only purpose of putting money into other people's pockets. It is a financial enterprise conducted primarily as a profit-making machine, and the odd thirty millions—to which account the recent addition of £3,000,000 to the capital of the Company now brings it—of British capital which are sunk in the undertaking have to earn dividends somehow.

It is a remarkable fact that from the very beginning of the enterprise until this day the Company has not only failed to receive the slightest help from native financiers, journalists, or authorities, but in its earlier and more struggling days met with bitter opposition and the keenest jealousy from all three. British pluck, however, is not so easily defeated and crushed, as the Argentinos have since discovered; but if any proof of this fact were needed, it is assuredly afforded in the astounding

success which the railway has achieved *malgré tout*. Step by step it has met and overcome hostile obstruction and adverse criticism, and it is doing the same at the present moment.

The Great Southern Railway, originated as far back as 1862, was commenced on or about September 1, 1863, and, the first sod having been turned in the month of March, 1864, the work proceeded quickly from that time, the railway being opened for traffic in July of the year 1865. The original contractors were Messrs. Peto and Betts, and the first capital of the Company was the modest one of £750,000, increased by the sum of £600,000, making the whole £1,350,000, upon the extension of the line from Dolores. Up till September, 1865, the 'system' worked by the Company consisted of about 150 miles, whereas to-day it is over 2,500; its capital, then £1,350,000, is to-day over £30,000,000. The first general manager was a Mr. E. Banfield, after whom the site of the present (and but recently finished) magnificent workshops belonging to the Company has been named.

The various lines owned and worked by the Great Southern Railway are to-day as follows :

1. From Buenos Aires to Bahia Blanca, via Chascomus Tandil and Tres Arroyos.
2. From Buenos Aires to Neuquen, via Canelas, Olavarria, and Bahia Blanca.
3. From Buenos Aires to Saavedra, via Lobos, Navarro, General Alvear, and Bolivar.
4. From Buenos Aires to Quilmes, La Plata, Dock Central, and Rio Santiago.
5. From Buenos Aires to Temperley and San Vincente.
6. From Altamirano to Las Flores.
7. From Maipu to Mar-del-Plata.
8. From Ayacucho to Necochea.
9. From Las Flores to Tandil.
10. From Bahia Blanca to Port and Military Port.

There are other extensions of some of these lines, which now form the whole consolidated system. Extensive as the system may be said to be, it is insufficient; and at the time of writing the Company has before its consideration a large amount of additional line, linking up various cross-sections and extensions still more effectually, which may well mean a further 1,000 kilometres—say 625 miles, at an outlay of about another £3,000,000—being added to the system.

Some other extensions are already in active process of completion, while still others, having been sanctioned, will be commenced immediately. Among the former may be cited the Puan to Guatrache Extension. Fifteen per cent. of the whole of the work upon this extension, which runs from a point between Puan and Goyena on the 25 de Mayo line, has already

been completed, the earthworks being finished to kilometre 55·500, and the rails laid to kilometre 25, while the erection of the station buildings is in hand.

The second most important extension is that from Tres Arroyos to Loberia, a distance of some 146 kilometres. The new line here starts at a point north of Tres Arroyos, on the main line, and joins up with the Ayacucho branch near Loberia. One per cent. of the whole of the work only has been completed, the earthworks being finished as far as kilometre 10, and the rails laid to kilometre 2. The station buildings have been commenced at the first station on the Tres Arroyos side.

As to the minor extensions in contemplation, there is one from General Guido to Montes Grandes, about 91 kilometres, surveys of which have been finished, and the plans are now being prepared for Government approval. Another is from Zabala, on the Tres Arroyos-Loberia line, to Tandil, a distance of 128 kilometres. The surveys have been completed, and the working plans and sections are in hand. A further 75 kilometres is being surveyed at the present time for a branch from a point on the General Guido line to Montes Grandes, and running to the town of Lavalle.

A further sum amounting to another million may, at no distant date, be expended upon the enlargement of the Port at Bahia Blanca. The late general manager, Mr. Frank Henderson, suggested that these improvements should have been taken in hand as long ago as two years, and had they then been commenced, no doubt the recent serious congestion of the traffic on the Bahia Blanca section would have been considerably less, if not altogether obviated. Plans have already been got out, and are under consideration, for a new quay and a large terminal grain elevator. The new additions would be entirely independent of, and supplementary to, the existing moles (two), of which I give further particulars and some illustrations on another page, and which may or may not form part of the new extensions.

The provision of grain elevators is, and should be, none of a railway's business; but the demand for them is so urgent, and there being no present evidence of a separate Company undertaking any such enterprise, the Great Southern Railway have decided to provide a terminal elevator at the Bahia Blanca end of their line on their own account. The cost will probably be something like £250,000, the elevator erected by the Buenos Aires and Rosario Railway at Barracas (Buenos Aires) having cost £330,000.

The Great Southern Railway own two moles, situated at Ingeniero White, one being constructed of steel and the other

of wood. There is also a wooden mole on the south side of the Riachuelo, near the entrance to the Boca, Buenos Aires.

The steel mole is built with Phœnix piles, which are braced together with girders, and covered with steel troughing filled with Loma Paraguayan sand, carrying the permanent way. This mole has berthing accommodation for twelve vessels in all, of 330 feet each, and for one smaller vessel of 170 feet. Inasmuch as some twenty-five to thirty vessels have been waiting at one time at Bahia Blanca to be loaded, and only a third of them could be accommodated, the inconvenience and consequent loss to shippers can be readily appreciated.

The depth of the water round the mole at low tide is 23 feet, and the whole port is little better than a mud-bank for sixteen hours out of the twenty-four. No amount of money expended upon the improvement of this important Southern port could be deemed excessive, as it is to Bahia Blanca that nearly all of the wheat of the Province of Buenos Aires is now directed. The various cranes and capstans on the mole are worked by electric power, and every level is 2·75 and 6·30 metres above low and high tide respectively.

The wooden mole is constructed of a fine timber, exceedingly hard and durable. The quay is at a high level—namely, 6·05 and 9·70 metres above high and low tide respectively—a fact which enables the grain to be handled with much greater ease, and loaded into vessels by gravitation. The mole has accommodation for two vessels of 330 feet each, being two in addition to the twelve to which I have referred above. On this mole also is a large timber shed, 200 metres long by 33 metres wide, at the back of which run two tracks for goods waggons, and from these the grain, which arrives in bags, is unloaded and carried by means of electric ‘conveyors’ to the ship alongside the mole, and there the bags are ripped open by men armed with long, sharp knives, the grain is poured loose into the ship’s hold, and the empty bags are sent away. The operation is very smartly performed, and some 1,250 tons of wheat are handled every day. It is illustrated by some special photographs a little further on.

The loading of grain at the Port of Bahia Blanca affords a very interesting study of how the average Argentine labourer proceeds about his work. He is a very leisurely individual, and refuses absolutely to be hurried. His hours of work are punctiliously adhered to, and not a moment before nor a moment after the stipulated hour will he consent to labour. No matter how urgent the demand for his services, nor how tempting the ‘overtime’ allowance, he declines to do more than his average. The grain-loaders work eight hours a day; they commence at 6 a.m., go on until 10.30 a.m., and then knock off for the mid-

day meal and the inevitable siesta. They do not commence again until 2 p.m. (thus enjoying an interval of three and a half hours), and go on until 5.30 p.m. Should they, however, be inclined to work after hours, they receive double rates.

Nevertheless, the grain gets handled somehow at the Bahia Blanca mole, as the following figures, collected by me during my visit to the port, will show:

TOTAL TONNAGE HANDLED AT THE BAHIA BLANCA MOLE FOR THREE MONTHS:

Month.	1905	1904	1903
	Bags.	Bags.	Bags.
January ...	379,054	353,311	302,352
February...	693,360	1,000,417	739,553
March ...	982,327	1,000,416	1,509,617

For the year 1905 (first three months), a total of 221,000 tons of wheat were shipped from the Port of Bahia Blanca, as against 183,000 tons for the same period of 1904. In eight days some thirteen steamers were despatched, the average per day being one and a half. The average number of bags of grain handled—including unloading from railway waggons, conveying by machinery to side of wharf, these ripping open each bag and pouring its contents into the hold of the ship—was 75,000 daily.

These moles have only been erected some two years, and at the time were considered sufficiently spacious and commodious. The Argentine Government, when first the Great Southern Railway solicited permission to extend the moles at Bahia Blanca, refused point-blank to grant it. The only reason they could adduce was that the Great Southern was flourishing too quickly, and that others should have a chance of doing something at Bahia Blanca. No one else desired to avail himself of this 'chance,' however, and now the Government are soliciting from the Company their consent to make the improvements which were formerly denied to them.

No doubt the Company will see its way to comply, seeing that it is manifestly to its interest to do so. This extra line must be built, and assuredly no one could handle it more expeditiously nor more effectively than the Great Southern Railway.

The third mole, to which I have alluded as being at the Boca, Buenos Aires, has only accommodation for four vessels, each 350 feet long. The height of the platform above low water is 475 metres, the loading and unloading being carried out by



day meal and the inevitable *siesta*. They do not commence again until 2 p.m. (thus enjoying an interval of three and a half hours), and go on until 5.30 p.m. Should they, however, be inclined to work after hours, they receive double rates.

Nevertheless, the grain gets handled somehow at the Bahia Blanca mole, as the following figures, collected by me during my visit to the port, will show :

TOTAL TONNAGE HANDLED AT THE BAHIA BLANCA MOLE FOR THREE MONTHS :

Month.	1903.	1904.	1905.
	Bags.	Bags.	Bags.
January	379,054	355,381	302,352
February... ..	693,360	1,026,967	789,593
March	982,327	1,402,826	1,549,617

For the year 1905 (first three months) a total of 221,000 tons of wheat were shipped from the Port of Bahia Blanca, as against 183,000 tons for the same period of 1904. In eight days some thirteen steamers were despatched, the average per day being one and a half. The average number of bags of grain handled—including unloading from railway waggons, conveying by machinery to side of wharf, there ripping open each bag and pouring its contents into the hold of the ship—was 75,000 daily.

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The third mole, to which I have alluded as being at the Boca, Buenos Aires, has only accommodation for four vessels, each 350 feet long. The height of the platform above low water is 4'75 metres, the loading and unloading being carried out by

means of travelling steam cranes, and the permanent way being laid close to the coping line of the mole. This mole is connected up with the Dock Sud, which is situated on the South side of the Riachuelo, in Buenos Aires. I consider that a few particulars of this fine dock may not inappropriately be added here, as it forms a valuable portion of the Great Southern Railway's system.

This dock is to all intents and purposes a tidal basin. It has a depth of 25 feet at low water, a width of 90 metres, with a turning basin at the south-east, and is capable of allowing the largest vessels to turn easily. At the present time the dock is not finished, for when I visited it the east side was still in process of construction, and I should say that another year will be necessary to complete it. The West Quay, in full working order, runs the entire length of the dock, a distance of 908 metres, representing a berthing space for nine vessels of 330 feet each. The wharf is constructed of the same fine hard wood of which I have spoken, with a flooring of steel troughing filled with stone ballast, on which are laid the railway tracks. On the edge of the wharf are placed several powerful cranes, and these allow of trains passing under them. They have a lifting capacity of $1\frac{1}{2}$ to 3 tons.

Along the wharf there are three sheds, each with two floors, measuring 100 by 10 metres. The sheds have an excellent installation of 'conveyors,' which can carry along bags from the waggons, unloading on both sides of the sheds at one time, the grain being either destined to be deposited in the sheds or loaded direct on to the vessels waiting alongside the wharf. In the same manner the grain stored already in the sheds can be conveyed to the ship, and all at the same time. Ingenuity and the newest of mechanism are employed here to the fullest advantage, and the operation is not only a very pretty one to watch, but is both time- and money-saving to the Company. I may add that the whole of the power used for the conveyors, cranes, capstans and other machinery, as well as the whole of the lighting of the dock, are supplied by electricity.

In regard to the various gradients, etc., on the Great Southern line, the highest rail level is 352 metres and the lowest 3'37 metres above low water in Buenos Aires, the former occurring at kilometre 5'51, between Pigue and Saavedra, and the latter at kilometre 0'900, at Casa Amarilla. The total length of straights is 3,553'644 kilometres, and the sharpest curve has a radius of 200 metres on a reverse curve of 280 metres length; and this is situated at the entrance to the Company's main City station, the Plaza Constitucion, Buenos Aires.

Upon a line of such length naturally the number of bridges and viaducts must necessarily be great. There are, as a matter

of fact, 1,157 of these, having a total opening of 16,249.62 metres. They are constructed of steel and iron girders, with brick abutments and piers. Very few timber structures occur on this line either in the way of bridges or abutments. The new type of bridge for the smaller spans is designed to provide an entirety of corrugated steel troughs, and this type possesses many advantages, one being that the ballast is continuous on the sections of the line where this class of bridge is used.

I give herewith a list of the bridges :

Bridges.	Span (metres).	Bridges.	Span (metres).
113	4	2	15
740	5	2	17
33	6	22	20
48	6.70	2	22
2	7	1	50
181	10	1	57.91
1	11	1	175.70
2	14		

There are something like 1,847 culverts, with a total opening of 4,015.57 metres, of which 206 culverts are 1 metre span; 937, 2; 704, 3.

The permanent way throughout the system is admirably maintained, which is only what might be expected of a railway Company like the Great Southern. Enormous quantities of stone ballast are met with, and the rails at present down will be gradually replaced with 100-pound rails, which renders travelling a luxury.

In addition to the very handsome Terminus Station on the Plaza Constitucion, Buenos Aires, with its three platforms, capacious waiting, dining, and restaurant departments, the Great Southern Company own 249 stations; and among them the following may be considered the most important :

Temperley	Chascomus	Saavedra
Cafnelas	Dolores	Empalme Lobos
Las Flores	Maipu	Merlo .
Azul	Mar-del-Plata	Navarro
Hinojo	Ayacucho	Saladillo
Olavarria	Balcarce	Alvear
Laprida	Necochea	25 de Mayo
Pringles	Tandil	Bolivar
Bahia Blanca	Juarez	Guamini
Ingeniero White	Tres Arroyos	Carhué
La Plata	Coronel Dorrego	Puan
Ferrari	Puerto Militar	Neuquen.
Altamirano	La Madrid	

The average number of trains run daily in and out of the Company's stations is about 312, made up of 248 passenger, 56 goods, and 8 cattle trains. The following are official figures,

and will be found interesting, relating as they do to the last half-year's business (to December 31, 1904):

The number of passengers carried during the half-year is 3,801,253, against 3,406,440 in 1903, an increase of 394,813, or 11·59 per cent.; the receipts being £373,419, against £327,191, an increase of £46,228, or 14·13 per cent. The receipts from luggage and parcels amount to £91,309, against £84,081, being an increase of £7,228, or 8·60 per cent. The goods handled during the half-year amount to 1,302,236 tons, against 1,030,264 tons, an increase of 271,972 tons, or 26·40 per cent.; the receipts being £786,315, against £675,768, an increase of £110,547, or 16·36 per cent. The number of animals carried during the half-year amounts to 2,000,942, against 1,894,635, an increase of 106,307, or 5·61 per cent.; the receipts being £140,898, against £126,818, an increase of £14,080, or 11·10 per cent.

The Great Southern Railway Company give employment to nearly 13,000 individuals, the staff of the various departments being as follows :

Departments.	Men.	Departments.	Men.
Local committee	30	Stores	235
General manager... ..	68	Refreshment	218
Accountants	227	Marine plant	40
Traffic	3,707	Stores and shipping agency	12
Engineers, permanent	4,698		
Engineers, construction	431		
Locomotive	3,255	Total	12,921

The remarkably fine and commodious works of the Great Southern Railway are situated at Banfield, a few miles out from Buenos Aires. At the time that these works were designed the fear was expressed that they would prove too large, and that the day would never arrive when the various departments could be fully occupied. The same observations had been made by short-sighted individuals in regard to other enterprises; and just as fallacious as these have now proved, so will be the prognostications in regard to the Banfield Works. It is true that some of the new locomotive sheds and some of the other buildings are still unoccupied, although the works have been in use for eighteen months and more; but latitude had to be given for future expansions, and, unless I am much mistaken, in a year or so every foot of available room in these extensive works will be requisitioned for service. Each department is to-day in active operation, and at the time of my visit of inspection some 4,600 men were occupied in the engineers' department, while 3,255 were employed in the locomotive department.

So large and so immediate has been the demand for additional rolling-stock that the Company has to order the greater portion

of its supply from Europe, although its works are sufficiently well equipped to turn out the normal amount of rolling-stock needed so far as passenger coaches, restaurant cars, and goods waggons are concerned. At present all the locomotives in use are repaired and put together at the Banfield Works; and in addition to the number—291—now in use on the various sections of the Company's system, some sixty-six additional engines have lately come from England. There are forty-six two-cylinder six-wheels coupled, with leading four-wheeled bogie and six-wheeled tender passenger engines, the dimensions of which are as follows:

Cylinders, 19 inches and $27\frac{1}{2}$ inches diameter by 26 inches stroke of pistons.
Boiler, fitted with Belpaire firebox, to carry steam at 200 pounds pressure to the square inch.

Coupled wheels, 5 feet 8 inches in diameter over tyres.

Tender, six-wheeled, to carry 3,000 gallons of water and $5\frac{1}{2}$ tons of coal.

Weight of engine in working order, $61\frac{1}{2}$ tons; weight of tender, $34\frac{1}{2}$ tons—total, $95\frac{1}{2}$ tons.

These locomotives are being built by Beyer, Peacock and Company, Limited, of Manchester, who have already supplied most of the locomotives for the Great Southern Company. The Vulcan Foundry Company are also constructing fifteen of the following dimensions and detail, known as the two-cylinder compound eight-coupled goods engines, with pony (two-wheeled) leading truck, 'Consolidation' type:

Cylinders, 19 inches and $27\frac{1}{2}$ inches diameter by 26 inches stroke of pistons.

Boiler, with Belpaire firebox, and to carry steam at 200 pounds pressure.

Coupled wheels, 4 feet $7\frac{1}{2}$ inches in diameter over tyres.

Tender, bogie type, to carry 3,500 gallons of water and 7 tons of coal.

Weight of engine in working order, 59 tons, of which the coupled wheels carry $49\frac{1}{2}$ tons; tender, $37\frac{1}{2}$ tons—total, $96\frac{1}{2}$ tons.

I understand that this class of locomotive has been found very successful as heavy grain-haulers, and therefore the new engines will be sent to work the Bahia Blanca portions of the line, where some fifteen of the same type of locomotive are already in use. There are also being built by Robert Stephenson and Company five simple four-coupled tank dock shunting locomotives as follows: Cylinders, 14 inches in diameter by 21 inches stroke of pistons; coupled wheels, 3 feet 2 inches in diameter over tyres; the weight in working order, with 450 gallons of water and 1 ton of coal, is 26 tons.

At the present moment there are some 9,883 goods waggons in use on the Great Southern Railway—literally 'in use,' since not one is found standing idle on any part of the line during harvest season. There are another 250 open goods waggons on order, each of 40 tons carrying capacity, having steel under-frame, structural length 35 feet, bogies of steel, arch-bar type,

steel-tyred wheels 33 inches in diameter over tyres. There are also 500 40-ton waggons, steel underframe, covered goods waggons, 35 feet in length, with underframes and bogies as above. There are likewise being built 100 special covered bulk-grain waggons, entirely of steel, the bodies being of buckled steel plating, giving 40 tons carrying capacity, with a tare of 14 tons. These waggons are said to be the lightest (covered) ever constructed, taking the carrying capacity into consideration—viz., 75 cubic metres and 40 tons load.

The passenger rolling-stock is likewise being considerably augmented, the additions comprising thirteen first-class day coaches, with a seating capacity for sixty-eight passengers, and all of which have been turned out from the Banfield Works. Better or more solid work of the kind I have not seen anywhere, and the carriages would be a credit to any railway company. There are eleven second-class passenger coaches now being completed, having a seating capacity for eighty people, the underframes of both class of coach being of wood, and the construction of twelve second-class coaches with steel frames will be commenced at once. The new rolling-stock likewise includes six more full-sized restaurant (corridor) cars, in addition to the twenty-two already in continual use, now being made in England, as well as two first-class buffet cars. Ten large bogie parcels vans of 15 tons capacity, twenty steel underframe bogie brake vans, and twenty-nine steel underframe four-wheeled brake vans, are under process of completion at the Company's own works.

In addition to the above, three motor carriages are being constructed in England, each carriage to seat forty first-class and thirty-two second-class passengers, to be self-propelled by steam. The lengths are 52 feet 2½ inches by 9 feet 6 inches wide, divided into two saloons separated by a cross partition with a door in it, the first-class saloon being entered by the end platform and the second by the cross partition, there being a small luggage compartment beyond this latter. These motor cars are naturally in the nature of an experiment, and it will be interesting to note what results are obtained therefrom, as, if they prove serviceable and economical in working, the Company will no doubt place further orders for this class of vehicle.

Great excitement prevailed in the Argentine during the early months of this year, on account of the congestion of the grain traffic, to which I have once before referred. Naturally, the blame was thrown on the shoulders of the Great Southern Railway Company, and neither excuse nor reason would be listened to by the irate shippers. As a matter of fact, the Great Southern Railway Company were not able to handle all the freight that was thrust upon them. The fault was not entirely

theirs, however, for the grain shippers themselves were much to blame. It may be pointed out that at the Port of Bahia Blanca, from which all the congestion on the system originated, each shipper does his own loading, the Railway Company lending the waggons. Some of these shippers, after securing all the waggons from the Company which they required, failed to load them in the time specified, while on Sundays and feast-days not a single bag was put on board. One firm took exactly five days to load twenty waggons, instead of twelve hours, the customary time; and others equally unreasonable asked for twice the number of waggons that they needed, thus locking up the Company's by no means abundant stock when demands for it were being received all over the country. Until the Bahia Blanca port is enlarged deadlocks of this description may be looked for at each recurring harvest season.

On January 1, 1906, the Great Southern Railway will introduce a revised and considerably reduced tariff for freight, a decision which has been arrived at by the London Board of Directors, but contrary to the advice of the late local manager, Mr. Frank Henderson. All first-class goods, cattle, wool, etc., will participate in the reduction, but grain having already touched bed-rock, these rates will not be interfered with. Probably the Directors know their own business, or think they do; but official opinion in the Argentine is averse to their decision. It must be remembered that wages are continually and permanently increasing, and with the lowering of the rates the profits of the Company must very materially suffer. In all probability the halcyon days of the Great Southern Railway have passed, and will probably never return. Working expenses, which have hitherto been at the rate of 40 per cent. of the receipts, will in future be nearer 60 per cent., and future balance-sheets will reflect the great difference.

CHAPTER XIX

The East Argentine Railway — Another Government guarantee and default — Progress of undertaking — Fears of war with Brazil — A new agreement—A popular manager—Mr. Oliver Budge's record—North-East Argentine—The first contractors—The province of Corrientes—Possibilities of the railway—Mesopotamia of South America —Difficulties of early days—A probable amalgamation—Effect upon the shareholders' interests—Local managements of railways and home proprietors

THE East Argentine Railway, besides being one of the oldest of the Argentine lines, possesses a history which is among the most interesting. The concession was granted at a time when the country was in a very unformed and unsettled condition, at a time when the Government of the day was willing to grant almost any conditions, upon any terms, and to anybody, and the only wonder is that the concessionnaire did not obtain more favourable terms than he did, when it seemed that it was only necessary to ask to receive.

One of the provisions stipulated for was that the concession should be granted in perpetuity, while another was a Government guarantee of 7 per cent. per annum for the term of forty years on a fixed cost of £10,000 per mile of line open to traffic. Considering the general flatness of the country through which the railway runs, and the favourable conditions on which the concession was obtained, there ought to have been an ample 'residue' from this generously computed amount of construction money.

The Government, as usual, granted the land required for the line, stations, buildings, etc., while the railway and all its property were declared to be free from any kind of taxation during the term of the guarantee, which, as I have said, was for forty years, and from the opening of each successive section, the first dating from 1873.

Argentine Government guarantees in the past had a poor reputation for permanent value, and it will hardly be a matter for surprise that, at the moment when the incident could scarcely have been more inconvenient for the Company, the



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ARGENTINE RAILWAYS

Plaza Constitucion, Buenos Aires, Terminal Station (from the West) of the Buenos Aires Great Southern Railway



Government defaulted. The reason for this is not far to seek. When the Government were so feverishly anxious for the line to be built, and had no money in the public Treasury wherewith to build it, there were fears of a war with Brazil. The line, which runs from Concordia to Monte Caseros, connects the Upper and the Lower Uruguay River, the water separating the three Republics—Argentina on one side, Brazil and Uruguay on the other—which at that time were for ever warring one with another. As soon as the threatened peril ceased to occupy the Argentine Government's attention, this and other guarantees were allowed to go by the board, and for some years not a sixpence of it was paid. Some time in 1895, however, the importunities of the East Argentine Railway, combined with the desire to 'stand well' with the British investor, into whose pockets a further dip was contemplated, compelled a compromise, and the Company received from the Government, in commutation of future guarantees and in settlement of outstanding claims, £750,000, not in cash, but in Argentine rescission bonds, carrying interest at 4 per cent. The Company was bound to repay the three-quarters of a million, together with all other sums paid by the Government on account of the guarantee, out of future earnings over and above 6 per cent. In order to arrive at a basis for calculations under the heading of net earnings, it was agreed to limit the working expenses to 65 per cent. of the gross receipts, and when the net profits exceeded 10 per cent. the Government reserved to itself the right to intervene in fixing the tariffs. I need scarcely say that the net profits never did reach the figure of 6 per cent.

The East Argentine Railway is a small affair as railways go, and consists of only 99 miles in all—a line of 96 miles between Concordia and Monte Caseros, and an extension of 3 miles between Caseros and Ceibo Creek. The main importance possessed nowadays by the Company, since all fear of complications with Brazil has vanished, consists in the fact that it joins up with the Entre Rios Railway on one side and with the Argentine North-Eastern Railway on the other, thus making through, or at least connected, communication between Buenos Aires and Corrientes. Even this exploit, however, is only of comparatively recent occurrence, for it was not until 1902 that the Entre Rios Railway extended its terminus from Villaguay to Concordia, a distance of some 115 kilometres. The two companies now work together on the best possible terms, and it is probable they will some day combine.

But for the Argentine Government's scare about Brazil, the East Argentine line of railway might never have been built, any more than would that between Bahia Blanca and Neuquen by the Great Southern Railway, which only undertook the un-

profitable business to calm the Government's fears about Chile. However, being built, the Company has naturally done its best to make it pay. Without the guarantee this was found practically impossible until a few years ago, when things commenced to assume a somewhat different aspect. So long as the Government rescission bonds are paid, the Company is enabled to pay interest upon its own debentures and even make a profit out of the surplus. Thus the 1898 debentures required £17,500 a year, and the Company, receiving £30,000 on the rescission bonds, found itself possessed of a balance of £12,500 annually. When the wear and tear on the railway, the necessary new rolling-stock, and the general expenses of the Company, are considered, this does not appear an immensely large sum to have to play with. From the balance-sheet of the Company it seems that the total amount expended upon improvements and maintenance to the end of 1903 was £40,447, which was obtained in the following manner: Renewal account yielded £36,000, and the sale of old iron rails realized £6,031, or a total of £42,031.

Mr. Oliver Budge, the General Manager, lives next to the railway station itself, which but few modern managers will consent to do, and consequently he has everything, from the time-table to the workshop, under his immediate personal supervision. He is extremely popular alike with the railway servants and the travelling public, and for thirty years his has been the hand which has guided the destinies of this line. Against almost overwhelming odds, and in the face of the most disappointing surroundings, Mr. Budge has kept things alive, and from the year 1897 he has succeeded in earning a dividend for the ordinary shareholders, which is very creditable to his management. In 1897 they received 3 per cent., in 1898 2 per cent., in 1899 $2\frac{1}{2}$ per cent., in 1900 2 per cent., in 1901 $1\frac{3}{4}$ per cent., in 1902 $2\frac{1}{4}$ per cent., in 1903 3 per cent., and in 1904 3 per cent. For the current year the dividend has been announced at $4\frac{1}{4}$ per cent.

Where the East Argentine leaves off the North-Eastern system commences, and both companies, which work harmoniously together, share the same railway terminus.

The concession granted to construct the North-Eastern line is dated about eighteen years ago, and although the line runs through some fine country, it has hitherto failed to justify its existence by returning any dividends to its ordinary shareholders, who, however, still cherish hopes.

The system at present comprises some 412 miles of track, the head station being at Monte Caseros, the terminus, as I have said, of the East Argentine Railway. There are two branches, one of which runs some distance north-east, and captures some of the fine cattle and timber traffics which have

lately grown, and which in future years promise to become very much more important than they are to-day; and the other, running in a north-westerly direction, and also passing through some fine country, at present but sparsely inhabited, but which, possessing as it does some remarkably fine 'camp,' should, if intelligently exploited, secure good and increasing traffics for the Company.

The enterprising contractors for railways, the Messrs. J. and M. Clark, whose names have been known for years past in connection with South American railway construction, secured the contract to build the Argentine North-Eastern line. First, the section from Monte Caseros to Mercedes, a distance of 80 miles, was finished and opened to traffic, while another of 70 miles, running from Corrientes to Saladas, was commenced and opened in the opposite direction. Then the line between Saladas and Mercedes was linked up, giving the track a length of 230 miles. Next came the extensions, nearly another 200 miles in length, including the branches I have mentioned. The gauge is 4 feet 8½ inches.

The province through which the Company's lines run ranks as the fifth most important in the Republic. Its territory has not inappropriately been termed the Mesopotamia of South America, as it is served and bounded by the two magnificent rivers of Paraná and Uruguay. There is an abundance of fine and matured timber, almost the only really fine forest lands in Argentina, and it possesses as good a climate and as genial a soil as any in the Republic. It has been one of the few provinces, moreover, which escaped the unpleasant attentions of the Indians in the early days, and therefore one would say that it has had any amount of opportunity to advance; but I am sorry to add that a poor railway service and a general *laissez aller* disposition upon the part of the inhabitants has not resulted in many of those opportunities being made much use of.

On the other hand, if the province escaped the forays of the Indians, it unfortunately became the arena of many of the bloody wars and sanguinary massacres which distinguished the young country in its pioneer days. Naturally, this did not tend to help things along, more especially as the troubles referred to extended over a period of something like forty years.

Shortly after the construction commenced in 1887, difficulties arose with the contractors, and in 1890 the work came almost to a complete standstill. Trains were run in a more or less perfunctory and uncertain manner over a portion of the track, and at one time it seemed as if no efforts could ever raise the undertaking from the slough of despond into which it had fallen. Gradually, however, things commenced to improve,

principally owing to more money being found and expended ; but, unfortunately, a good deal of this necessarily had to be devoted towards relaying the line where it had fallen away or had become defective during the period of inaction.

As to the present carrying capacity of the line, this is scarcely adequate to the requirements of the country, and it will shortly become unable to meet the demand unless immediate additions to the rolling-stock and some improvement in the condition of the existing stock are determined upon. One would imagine that, being among the most recently constructed and equipped railways in the Republic, it would also possess the newest and most approved rolling-stock. But this is far from being the case, and I feel bound to state that some of the worst-looking coaches and freight waggons which I have seen in South America were the possessions of the Argentine North-Eastern Railway.

The permanent way is not in a very satisfactory condition, this, no doubt, being a legacy from an earlier management, and attributable to the manner in which it was neglected in the first instance. In those days no traffic was accepted at a more rapid speed than 10 miles an hour, and anything like express or heavy freights waggons at present would be deemed risky and inexpedient. Undoubtedly a considerable amount of money, altogether beyond and in addition to what has been already expended, must be laid out on this track should anything like 'lining up' with the other railways be considered advisable. For my own part, I believe that the expenditure would be abundantly justified, since the province is certain to go ahead in the train of all the other departments of the Republic, more especially as Corrientes possesses riches and resources peculiarly her own. Besides the fine forests to which I have already referred, and which only need a satisfactory means of transport to render them extremely valuable, the country produces grain of a remarkably good quality, tobacco, and sugar, and I believe that cotton could be grown here better than anywhere else in Argentina. So far as I could find out, however, this particular industry has never been tried, although the neighbouring province of Entre Rios has gone in modestly and experimentally for cotton-planting, and with altogether encouraging results.

Corrientes is a purely agricultural province at present, and the cattle raised there is as good as can be found in this country. With a rainfall which amounts to double the average for provinces occupying the same altitude, and which makes the climate peculiarly healthy and agreeable, a mean temperature of 72° Fahrenheit, an abundance of water, and an increasing, if at present numerically small, population, I regard Corrientes as being one of the most promising of the depart-

ments of the Argentine Republic. Unquestionably, with an improved railway service the country would go ahead rapidly, and this is, I am given to understand, almost certain to be provided.

Left to itself, it is rather doubtful whether the North-Eastern Company would be found equal to the occasion; but there is a strong likelihood of the line being incorporated with the two neighbouring systems belonging to the Entre Rios and the East Argentine Railway Companies, both of which, under the managements of Mr. Follett Holt and Mr. Oliver Budge respectively, have done well for the country generally, and for their shareholders in particular—especially of late years. Naturally, the two successful enterprises, which are well able to go along by themselves, have less to gain by the proposed amalgamation than the Argentine North-Eastern, but I fancy that, providing a reasonable basis be arrived at, the triumvirate will become *un fait accompli*, which will prove a capital thing for the North-Eastern Company shareholders, many of whom are now to be found figuring among East Argentine proprietors, big purchases of shares and stock having of late been made, doubtless in view of these future arrangements. At the last meeting of the East Argentine Railway two more Directors of the North-Eastern Company were elected Directors, thus giving the former Company a controlling interest.

If the Argentine Republic continues to progress at the same remarkable rate which it has shown during the past three years, there can be little doubt that the Argentine North-Eastern Railway is destined, in common with all other industrial enterprises, to share in the general prosperity.

The staff in South America bear the reputation of being hard and conscientious workers, and whatever local zeal and loyalty can accomplish for the line is certainly being done. Those at home have little or no idea of the amount of devotion which is shown by local managements to their interests, nor have they any conception of the innumerable difficulties, disappointments, and heartburnings which running a railway enterprise in a country like South America means. Were this fact more fully realized, greater toleration of occasional failures would be shown, and fewer harsh criticisms would be expressed than frequently proceed from disappointed proprietors.

CHAPTER XX

The reputation of the Provincial Government of Córdoba—Córdoba and Rosario Railway—A fertile region well served—Eastern section—The forest region—La Francia—Alta Córdoba Works—Central northern section—Principal altitudes—Character of country traversed—The land of the Quebracho Colorado—North-west Argentine extension—The loop line—In sugar-cane land—Tucumán—A line of many stations and bridges—The management—Defective portions of line—Cautious 'extension policy necessary

A WELL-KNOWN London financier, not very many years ago, when presiding at a public meeting, designated Córdoba as 'a financial plague spot on the fair name of the Argentine Republic.' The stigma was, and is still, unfortunately, not undeserved, and if the critic had gone further and included the Governments of Santa Fé and Rosario in his condemnation, there is no doubt that he would have been perfectly correct in what he said.

With a name which literally 'stinks in the nostrils of the righteous,' it is surprising that anything good could come out of Córdoba. Probably there would have been nothing, either, had not British enterprise (which, if not invariably, at least frequently, is accompanied by honesty, orderliness, and fairness to those who invest their money) secured a large amount of control over the railway enterprises of that State.

Nevertheless, shareholders in the railways of Córdoba have had some trying times to go through, and until of late years their holdings have proved very poor bargains. Nature, in the shape of abundant harvests and climatic influences, has stepped in as saviour of the situation, and the whole of the Republic alike has been revelling in a phenomenal yield of the fruits of the earth. The Córdoba railways have shared in this blessing, and hence, for the time being, misfortunes and old grievances have been put aside, if not forgotten, and the sun of prosperity seems inclined to continue shining on the just and the unjust alike.

The Córdoba and Rosario Railway came into practical being some sixteen years ago, a Company being formed for the purpose of acquiring a portion of a concession which had been

granted to a certain Mr. Temple, a British subject, by the Provincial Government of Santa Fé, which has since followed the example of other Argentine Provincial Governments by repudiating its just debts to the bondholders who lent the money. The concession was undoubtedly a favourable one, although no monetary guarantee was given. The terms were as follows: No limit to be fixed either as to the amount of the rates demanded or the dividends declared by the Company or individual working the line; no competing line to be built for the space of twenty years within a distance of 8 leagues (24 miles) on either side of the line; all roads built and materials used to be free from taxation during time of construction, and for twenty years afterwards; all materials to be admitted to the country free of Federal taxation. On the other hand, the railway was bound to carry all Government material at a special rebate of 25 per cent., all mails free of charge, and all Government officials free also.

The Government gave no guarantee of interest, or any other form of subsidy, and it possesses no special power of expropriation. These were the terms for the main section. In regard to the Central Northern Branch, which was built subsequently, the Government of the Republic offered a guarantee of 5 per cent. for fifteen years on a sum not exceeding £2,000,000, in return for which the said Government receives all net profits over 5 per cent., until advances on account of the guarantee, plus 5 per cent. interest on the amount, have been repaid, the working expenses (for the purpose of taking an account) being fixed at 55 per cent. of the gross receipts.

Things commenced badly, and became worse. About five years after the line was opened (that is, in the year 1894) it was found that reconstruction was absolutely necessary. Arrears of interest were rapidly accumulating, and the capital account had to be re-formed. Eight years after—for financial matters march but slowly in this Republic—an agreement was arrived at, and in 1902 the arrears of interest on the second debentures were funded into income debenture stock. Up till now not a penny had been paid in the form of interest upon the ordinary stock, which had been accepted in its entirety by the unfortunate contractors—unfortunate, at least, to this extent, although the rumour goes that they did well enough in other ways out of the construction, a statement which requires a good deal of corroboration. What is certain is that the contractors themselves guaranteed for a certain number of years the interest upon the preference shares, and so soon as this guarantee expired by the effluxion of time the preference dividend ceased to be paid.

At the end of 1902 all the arrears on the second debentures,

amounting to 22½ per cent., were funded into income debenture stock, while in March, 1904, as part of the reconstruction scheme then in operation, it was resolved to create and issue further (non-cumulative) preference shares to the amount of £432,000, in shares of £100 each, and to issue the same to the holders of the 6 per cent. preference shares in the proportion of £72 per share, 'in full satisfaction of all arrears of dividend on such preferred shares existing on December 31, 1903, and which amount to £429,632,' or at the rate of £71 12s. 1d. per share.

Fortunately, the worst part of the Company's financial misfortunes seems to have become ancient history. A new and brighter era would appear to have dawned, and at the time of writing the prospects of improvement generally are distinctly promising. Already, indeed, much has been accomplished. The ratio for working expenses has, on the whole, but by no means consistently, fallen of late years, and these, which at one time stood at nearly 66 per cent. and over, are now nearer 53·24 per cent. Last year the 4 per cent. debenture and the 6 per cent. debenture holders received their twelve months' dividends, interest charges were paid in London, the amount of 4 per cent. was paid in full on the income debenture stock, a six months' dividend was paid on the 6 per cent. preferred shares, and a sum of £8,500 was put aside towards paying a dividend of 2 per cent. on the 4 per cent. second preference shares.

It is principally to the magnificent grain harvest that all this is due, but it would be unreasonable to expect that such bumper traffics as have last year and this been experienced can go on for ever. In ordinary times the railway may do well, but such halcyon days cannot be expected to last indefinitely. While it is perfectly true that the Argentine Republic is opening up every year more and more, and that fresh agricultural land is being brought into cultivation, labour continues exceedingly scarce; strikes are likely to occur upon the smallest provocation, and the dreaded pest of locusts, particularly destructive and numerous in the Córdoba district, may at any moment turn the shareholders' smiles into tears. The railway depends very largely upon the prosperous condition of agriculture, and when I have said that I have said sufficient to warn my readers against indulging in too pronounced an optimism as to future dividend earnings.

The line connects Rosario with the town of San Francisco, an important wheat centre and railway junction on the limit of the Provinces of Santa Fé and Córdoba. The country traversed is of an undulating character, the line being intersected by a series of shallow valleys, which drain the rainfall into the



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ARGENTINE RAILWAYS

Banfield Works, Buenos Aires Great Southern Railway Locomotive Erecting Shop, East Bay, looking North



Paraná River. The maximum gradient on this line is 1 in 200, and there are very few curves, one stretch of 92 miles in length being absolutely straight throughout. There is but one bridge of any importance—viz., that over the Carcaraná River, a stream which takes its rise in the Córdoba Hills, west of Villa Maria, and called 'Rio Tercero,' in the Province of Córdoba. The bridge referred to has two spans of 60 feet, and one central span of 120 feet. The extreme height from rail level to the bottom of the river bed is 38 feet. The section of the railway follows the undulations of the country traversed, but there is a total rise from Rosario to the frontier of 268 feet, Rosario Station being 113 feet above mean sea-level.

The railway owns wharves and shipping facilities at both the north and south ends of Rosario, and a branch from the frontier of the province of Santa Fé to Rafaela.

The entire railway runs through a fertile region, for the most part under cultivation, the cereals produced being wheat, linseed, and maize. Since the railway was built small towns have sprung up round the majority of the stations, in which an active business is transacted during the harvest season.

	Miles.
The length of the main line is	139
" " Rafaela branch	38
" " Graneros branch in Rosario	1·6
Total	178·6

The gauge is 1 metre.

The line is a single track, laid on steel sleepers, although having originally been built for a double track. The weight of the rail is 56 pounds per yard. All station buildings are substantially constructed of brick, and at most of the stations there are special sheds for storing wheat, etc. The railway has workshops about 10 miles from Rosario, and extensive and capacious storage sheds at the 'Embarcaderos' Station on the river at Rosario.

1. *Eastern Section (Gauge, 1 Metre).*—This line connects the Córdoba and Rosario system with the City of Córdoba and the North, as well as Córdoba with the Santa Fé Railways. After leaving San Francisco, the line runs through a wheat district until La Francia Station is reached, 33 miles from San Francisco. Beyond this the forests begin, and continue up to near Córdoba. These forests are worked chiefly for Algarrobo wood, which is used for carpenters' and cartwrights' work, as well as for fuel and for making charcoal, of which large quantities are sent away to the South. The timber and charcoal business supports a considerable population, and the towns which have grown up round the different stations have all a busy appearance.

It is worth mentioning that the timber trade has no slack season, and lasts from one end of the year to the other, which perhaps accounts for the steady character of the business transacted in these towns.

The railway line is almost level as far as La Francia, after which it rises gently to Rio Primero, and thence more rapidly to Córdoba. San Francisco is situated at 387 feet above sea-level, La Francia at 370 feet, Rio Primero at 826 feet, and Alta Córdoba Station at 1,387 feet. The maximum gradient on this line is 1 in 166 (6 per *mil*). The line is laid on cast-iron pot-sleepers, and the weight of rail is 50 pounds per yard. All the buildings are of the same type and class of workmanship as those of the Córdoba and Rosario Railway. Workshops are established at Alta Córdoba, in which station there are also large sheds for the storage of goods, and especially sugar from the North, the comparatively dry climate of Córdoba being eminently suitable for the storage of sugar in transit. Mr. William Leeson is the local superintendent at Alta Córdoba.

There are two large bridges on this line, one consisting of three spans, with a total length of 203 feet, over the Rio Segundo, and the other of eight spans, with a total length of 441 feet, over the Rio Primero.

2. *Central Northern Section (Gauge, 1 Metre).*—This line connects the cities of Córdoba and Tucumán, from which latter runs the Government line to Salta and Jujuy, where an extension of the Government line is built to the Bolivian frontier. A branch line runs from Recreo to Chumbicha, whence a Government extension leads to the City of Catamarca. Another branch runs from Frias to the City of Santiago-del-Estero.

The distance from Córdoba to Tucumán is 339 miles; that from Recreo to Chumbicha is 108 miles, and the extension to Catamarca 41 miles; that from Frias to Santiago is 100 miles.

The principal altitudes above the level of the sea on the main line to Tucumán are as follows:

	Feet.
Alta Córdoba	1,387
Kilometre 111 (culminating point)	2,631
Great Salt Lake (Kilometre 222 to 250)	583
Recreo	711
Frias	1,081
Secondary culminating point Kilometre 382	1,607
La Madrid	946
Tucumán	1,434

Maximum gradient on main line, 1 in 80.

The main line is laid partly with rails of 60 pounds to the yard and partly with rails of 50 pounds to the yard, the former being the standard weight for all future renewals. The per-

manent way is laid on sleepers of 'quebracho colorado' wood. The branches are laid with rails of 40 pounds per yard on quebracho sleepers.

The country traversed is mostly forest land. For the first 32 miles the main line runs through a district in great part irrigated either by the water from the great dam of San Roque, or by that from the Carneros and Jesus Maria Rivers. The Colony of Caroya, close to Jesus Maria Station, is a prosperous one, populated by Italian settlers, and the whole of this district is very fertile, and is developing year by year. Beyond the station mentioned the railway enters the woodland region, but the 'quebracho colorado' forests are not reached until Recreo is passed. These continue up to near La Madrid on the main line, and extend through nearly the whole extent of the branch to Santiago. They yield railway-sleepers, fence and telegraph posts, logs which are exported for tanning purposes, beams and joists, etc., this wood being much in request on account of its durability, since it does not rot in the water.

On reaching Simoca, situated about thirty miles to the south of Tucumán, the scenery changes, as the line emerges from the forest and enters the cultivated ground. The vegetation becomes semitropical in the vicinity of the great Aconquija range, and the extreme fertility of the soil is evinced by sugarcane fields, rice fields, tobacco plantations, orange groves, etc. The railway crosses seven large rivers, as well as some minor streams, all of which take their rise in the Aconquija Mountains, and unite lower down in forming the Rio Dulce.

The more important bridges on the main line of this section are at:

Carneros River, 28 miles from Córdoba, length 206 feet.			
Jesus Maria River, 32½ miles from Córdoba, length 128 feet.			
Albigasta River, 208	"	"	394 "
Graneros River, 278	"	"	535 "
Medinas River, 288	"	"	525 "
Gastona River, 294	"	"	498 "
Rio Seco River, 301	"	"	328 "
Valderama River, 312	"	"	1,312 "
Colorado River, 316	"	"	394 "
Lules River, 328	"	"	197 "

The most noteworthy of these are the Graneros and Gastona Bridges, which are continuous girders supported by two piers and abutments, and the Valderama Bridge, which consists of twenty spans of 60 feet.

The branch line to Chumbicha traverses a region devoid of cultivation, and where little is done except breeding cattle and goats. Chumbicha itself is picturesquely situated at the foot of a range of abrupt mountains.

The principal altitudes above the level of this line are the following :

	Feet.
Recreo	711
Kilometre 38	868
La Guardia	726
Chumbicha	1,364
Catamarca, the terminal point of extension, is	1,676

The maximum gradient is 1 in 100.

The line to Santiago has an important timber traffic, chiefly of 'quebracho colorado' wood.

The principal altitudes are :

	Feet.
Frias	1,081
Kilometre 26	1,307
Choya	1,255
Santiago	615

Maximum gradient, 1 in 76.

3. *North-West Argentine Extension (Gauge 1, Metre).*—This is a loop line, 87 miles in length, which extends from La Madrid to Tucumán city, and traverses the richest and most fertile district of the Province of Tucumán. Sugar-cane, rice, tobacco, maize, and fruit are grown, but cane is the principal class of produce. There are thirty-two sugar factories working in this Province, thirteen of which are on this railway, one of them, Santa Ana, being the largest in the country. There is a rice-mill at Concepcion and there are several important sawmills at the different stations.

The hills, which are skirted by the railway over a great part of its length, abound in fine forest trees, and these give rise to an important trade in timber of various kinds, such as native cedar and walnut (so-called), orco cebil, lapacho, laurel (so-called), etc. ; but quebracho colorado is only found south of Villa Alberdi, although it reappears to the north of Tucumán. The line has numerous branches to the different sugar factories (see p. 93) and cane fields, and one public branch 6 miles in length to the town of Medinas.

There are twenty-four stations on this short piece of track, some of them being only a mile or two apart. The railway has numerous large bridges, crossing more or less the same rivers as the Central Northern Section ; these are as follows :

Rio Chico	295 feet in length
Medinas	197 " "
Gastona	1,279 " "
Seco	722 " "
Pueblo Viejo	590 " "
Romano	590 " "
Aranilla	197 " "
Colorado	197 " "
Lules	984 " "

Maximum gradient on line, 6 per mil.



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RAILWAYS OF THE ARGENTINE

Concordia Station on the East Argentine Railway (junction for East Argentine and North-East Argentine lines)



Córdoba and North-Western Railway (Gauge, 1 Metre).—

This line starts from Alta Córdoba, where there is a junction with the Central Córdoba Railway, and follows a westerly course as far as kilometre 40, where the lake formed by the impounding dam of San Roque is met. It then runs northwards as far as kilometre 120, and again westwards to the terminal point at Cruz-del-Eje, where there is a junction with the Government line from Dean Funes to Chilecito and Rioja, the total length being 95 miles. From Alta Córdoba the railway runs through highly cultivated land to Calera, 13 miles out. It then enters the gorge of the Primero River, from which it emerges on reaching the San Roque reservoir.

The section through the gorge follows the windings of the river, forming a number of loops, with an almost continuous series of reverse curves, combined with heavy gradients. The scenery here is extremely picturesque. From San Roque the railway skirts the lake and the Cosquin River as far as the town of Cosquin. It then runs through a hilly and rising country as far as the culminating point, situated at 57 miles from Córdoba. From this spot the line descends to Cruz-del-Eje.

A considerable number of the gradients are of 1 in 40, and the minimum curvature is 125 metres radius ($6\frac{1}{2}$ chains). The culminating point (La Cumbre) is situated at an altitude of 3,769 feet above sea-level, and is 2,382 feet above Alta Córdoba. At the terminal station the altitude above sea-level is 1,581 feet, or 194 feet above Alta Córdoba.

The towns situated along this railway are La Calera (kilometre 21), Cosquin (kilometre 58), Capilla-del-Monte (kilometre 110), and Cruz-del-Eje (kilometre 150). La Calera is much used as a summer resort by the inhabitants of Córdoba; Cosquin, from its dry and equable climate, is frequented by invalids; while Capilla-del-Monte attracts considerable numbers of people from the Southern part of the country during the summer.

There are three large bridges on this railway—viz., Santa Maria Bridge, length 328 feet; Cosquin Bridge, length 361 feet; and Capilla-del-Monte Bridge, length 344 feet. The Cosquin Bridge is 60 feet above the river bed. The permanent way is laid with rails of 40 pounds per yard on quebracho sleepers.

All these lines are managed from one centre—Córdoba—and Mr. Duncan M. Munro is in supreme charge of them all when he is there, but he has offices in Buenos Aires, where he may also frequently be found. Mr. H. Leach is his deputy at Córdoba on these occasions. The chief engineer is Mr. P. Wilkins, who has been many years with the Company, and is an exceptionally able man.

A portion of the Company's system formerly belonged to the Argentine Government, which, at the time of the transfer to the Córdoba Central Company, left it in a rather dilapidated

condition. Strange to say, the new owners have done but very little—at least, not nearly sufficient—to put the line in a proper state of repair. The permanent way is very bad indeed in some portions, and especially in the neighbourhood of Concepcion-de-Tucumán. The rails are mostly old and very much worn, and heavy inundations have undermined the embankments, which seem to have been but imperfectly restored.

The station buildings between Tucumán and Recreo are for the most part very much in need of repair (and reconstruction in some instances), while the terminus at Tucumán itself is a totally inadequate building, and very dirty—quite unlike anything which one would expect to find upon a line managed by a British staff and owned by a British Company. The same neglect also applied to much of the rolling-stock used upon the Tucumán section. In spite of the substantial revenue now brought by the Tucumán section (Central Northern line), the receipts from which last year were \$3,087,538, as against \$2,814,248 of the previous year, only a modest amount of attention would appear to have been given to the repairs on this line and to the increase of the rolling-stock. The working expenses certainly increased from \$2,169,196 to \$2,231,278, but it is difficult to trace any of this swollen expenditure to an improved appearance or increased number of the cars and freight waggons. Passengers have augmented in number upon all sections of the line, but especially on the main line, while the fine harvest and heavy sugar crop this year will, I think, be found to have materially benefited the coffers of the Company. This year also an enormous amount of heavy sugar machinery has been brought over the Company's line for the magnificent factory situated at Concepcion-de-Tucumán, and owned by the Messrs. Carlisle (Azucarera Argentina), and this, again, will swell the railway's receipts to a notable extent.

The present policy of the Córdoba Central Railway would seem to be directed in the same channel as that followed by several other Argentine companies bitten with the 'building mania,' such as the Great Western of Argentina, for instance. The Company are busily completing plans and importing material for the construction of a line from their present terminus to Buenos Aires. There is the same feverish anxiety upon the part of the Argentine railway companies to reach the capital of the Republic as there was at one time for the English companies to get into London. Unfortunately, too much reliance is being placed upon the present unparalleled prosperity of the country, and it is far too readily assumed that this prosperity is going to endure for ever. For the purpose of connecting the system of the Córdoba Central Railway with Buenos Aires, the Company formed a subsidiary Company, called the 'Córdoba Central Buenos Aires Extension Railway,

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Limited,' thus adding a new and additionally confusing title to those already existing, such as the Córdoba Central, the Córdoba North - West Argentine, the Córdoba and North-Western, the Central Northern, etc. The capital of the new promotion consists of £700,000 in Ordinary shares, and power to borrow £3,500,000 additional. The Córdoba Central Railway is thus piling up its capital, which now amounts to nearly £20,000,000. The Central Córdoba's decision to come into Buenos Aires is based upon the conviction of Mr. Duncan M. Munro, the general manager, that it will prove the 'making' of the Company. There are, however, to be found many wise men among the local community who consider that the policy adopted is a wrong one, and they do not hesitate to condemn it as both unnecessary and untimely. The management, on the other hand, maintain that it is a matter of 'grave importance' to them to bring their line into the Capital. Probably they know their own business a great deal better than anyone outside, and it is to be hoped that in arriving at the decision to push their line to this terminus they have fully weighed the *pros* and *cons*. They are credited with the statement that there are no 'cons,' but there I do not agree. There are many possible pitfalls before them, and I think that a more cautious and far-seeing policy would have been to carefully conserve their financial resources.

Next year may prove a poor one for grain, and, if it should, the first among the lines to suffer will be the Central Córdoba. It must also be remembered that one really bad year will do more to reduce a railway to trouble than any two years' good traffics will raise it to prosperity. The working expenses go on pretty much the same, and wages have been permanently increased all round of late. The question of strikes must also be most seriously considered as having an immense influence upon the immediate future. The professional agitators are at work, are silently but surely preparing a big and most unpleasant surprise for the railway companies, and as soon as the heavy harvesting is over the railway employees—by whom I mean the *stevedores*, grain-handlers, and general freight hands—will have more time and leisure to listen to these evil counsellors.

There have been many serious strikes already on the Argentine railways, and no one who has watched the state of affairs there, who has seen with his eyes and listened with his ears to what is going on all around him can for a moment doubt that worse things remain to be witnessed. Surely this is a time when all railway companies alike should think twice before entering upon an undertaking of such magnitude as that, for instance, decided upon by the Central Córdoba Railway.

PART II

BRAZIL

CHAPTER I

- Latin-American nationalities—Ethnical factors—The bane of politics—The power of the priests—Pillage of personal property—The 'big stick'—Claims against Brazilian Government by foreigners—A Government supported by brute force—The Revolution of 1904—Difficulties of concentration—Dr. Alves' Government—Officials and their duties—The typical Brazilian employee—Gifts 'voluntary' and otherwise—Official blackmail—Municipal methods—Unjust fines and other persecutions—How to avoid them

IN point of actual size Brazil is not only the largest of the South American Republics, but the third largest country in the world, Russia coming first, the United States of America second, and the United States of Brazil third.

The green-and-yellow flag of the Republic flaunts the grandiloquent motto, 'Progress and Order,' but not even the most sympathetic of historians could pretend that either the one or other of these excellent attributes is conspicuous in the internal economics of Brazil to-day. It seems a thousand pities that with such magnificent, compact territory, one-half of which is served by a superb seaboard, with one of the finest and the best navigable rivers in the world, Brazil should only rank as a fifth-rate Republic. A glance at a map of the universe shows that its extent spreads over half the South American Continent, actually covering an area of 3,218,130 square miles, so that those who are fond of studying figures can work out for themselves the simple facts that Brazil is larger than Europe, one-fifth the size of America, and one-fifteenth of the entire world.

A high authority upon ethnical factors informs me that from carefully-compiled statistics he is enabled to say that of the 15,000,000 inhabitants of Brazil, 3,500,000 are Negroes, 6,000,000 are Mestizos-Mulattoes—a horrible combination, by the way—1,300,000 Indians, and the balance are foreigners made up as

follows: Italians, 1,800,000; Portuguese, 900,000; Germans, 520,000; and the remainder English, French, and Spanish. Only about 30 per cent. of the population are genuine 'whites.' I further learn that in Brazil, as in Bolivia, a neighbouring Republic, 80 per cent. of the population are illiterate. This compares with 75 per cent. in Chile, 60 per cent. in Uruguay, 50 per cent. in the Argentine as far South as Buenos Aires, whereafter it goes down to only 25 per cent.

Almost every kind of mountain, plain, and river scenery is to be found within its limits: superb mountains, vast, fertile plateaux, a coast-line of more than 6,000 miles in extent, washed from end to end by the Atlantic Ocean, and possessed of the world-famed Amazon, or sea-river, which has the largest fluvial basin of any waterway in the world. As I shall attempt to show, possessed as it is of all these natural advantages, Brazil is still far from availing itself of the opportunities which they offer; and perhaps of all the South American Republics—certainly of the five which I have visited—Brazil offers the least cause for congratulation in regard to social and financial progress.

In point of character and disposition I should say that there exists but little difference between one Latin-American nation and another. Some of the inhabitants of the South are, perhaps, more refined and more gentle than the inhabitants of the North; but beyond that the characteristics, tastes, and manners of the whole of the South American nations are much alike, and offer but little occasion for choice.

It will require generations, if not centuries, to change materially the conditions which have existed more or less since the first days of Spanish and Portuguese colonization. The masses remain to-day just where the early Jesuits left them; and the priests are very careful, so far as the power still remains to them, that no advancement shall take place in the educational condition of the people.

In spite of the excellent system of education devised by some of the Republics, notably those of Brazil and Argentina, the great mass of the people are deplorably ignorant; and while few can even read, still fewer can even write their names.

Politics, while made the basis of continuous internecine quarrels, are really not in the least understood, and are interpreted to the people by their 'patrons' and priests—each rendering that version which best suits his own interests. Politics, especially in Brazil, invariably means being 'agin the Government'; and if you were ever to ask any casual individual who is in revolt 'why' he is opposed to the existing authorities, he would tell you that he does not know, but that 'his priest can explain.'

If you ask the priest he will probably retail a long story of repression and oppression, more or less imaginary, no doubt, but somehow revolving around the one central fact that he has himself been 'scandalously ill-used,' his merits entirely overlooked, and past services completely forgotten. To the ordinary Apostolic Catholic priest in South America, 'L'état c'est moi.'

The worst feature of these continual conflicts is that everyone is more or less drawn into the vortex—sometimes even foreigners, who have absolutely no interest in the outcome one way or the other.

The native's position, however, is the worst. He simply cannot stand out, scheme and plan to do so as he will. If he takes sides with his own Party the opposite one will rob and pillage his house, his cattle, and his lands—in fact, he is quite legally robbed and despoiled of everything he possesses. If he attempts to preserve a strict neutrality he becomes the prey of both sides, and is cruelly maltreated by friend and foe alike. His only resource for escape is, at the commencement of hostilities, to place the whole of his effects and interests in the hands of some friendly foreigner who can claim and rely upon the protection of his flag.

South American Governments have a wholesome terror of bringing down upon them the vengeance of foreign Powers, which are sometimes—not always, however—prone to take summary proceedings against those smaller and helpless nations which oppress and rob their subjects. The United States of America and Germany, for instance, have righted many a wrong inflicted upon their innocent subjects resident in South America by the mere threat of the 'big stick.' It is sad to reflect that the flag of Great Britain is less well thought of, for since the days of Lord Beaconsfield it must be confessed that no Latin-American Republic has troubled overmuch about the fulminations of Downing Street, knowing that brag plays a very important part of its proceedings. The Venezuelan imbroglio—unsettled to this day—is a moot case in point.

In transferring his property to a foreigner in order that it may escape the hands of the native despoiler, the unfortunate South American native, upon occasions, finds himself thrown from Scylla to Charybdis. Cases are within my knowledge of property thus transferred being dishonestly retained by the recipient, who has the law of the country, at least, on his side, if it be invoked against him. I am pleased to think that such instances are rare, and in no case have I heard of 'the dishonest steward' being a Britisher.

Much about the same thing has occurred, and still occurs, at home, however, in connection with transfers of family property and the attendant income in order to save the (Harcourt)



Onion Seller



Natives of Northern Brazil at home



The Pedlar



The Cake Seller

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Death Duties. Fathers have found themselves transformed into paupers, and dependent entirely upon the bounty of the children whom they have enriched. The moral of all this is : trust to luck rather than to the honesty of individuals—even those of your own family.

Even when property is thus temporarily transferred it does not necessarily mean complete immunity from damage. When the native South American rioter or soldier, usually a coarse savage with nigger blood in his veins, commences to shoot and 'sees red,' he has little inclination to discriminate between the property of this one and that; and the Union Jack or the Stars and Stripes will meet with as much and as little attention as the 'Progress and Order' flag of his own country. Of course, foreigners have a claim against the Government for all damage sustained to property owned or held by them; but, then, what is a claim worth when the Government against whom it is lodged is either dishonest or bankrupt, and probably both?

It may be said that the present Government of Brazil, like so many others before it, is supported by a political system which leans entirely upon brute force—undisciplined and wholly unreliable. Every prominent office-holder knows that his term rests wholly and solely upon the amount of physical force available behind him and his colleagues, and consequently the highest as well as the lowest is in league with the very dregs of the military and the police.

Mercenaries by the thousand are to be hired in Brazil, as in some other of the South American States, and your cook or butler of to-day may, for a small consideration, become a red-handed assassin or a successful leader of a *coup d'état* to-morrow.

While I was in Brazil a serious but short-lived revolution took place, the object of which was avowedly to establish a Dictatorship in place of the Presidency of Dr. F. de P. R. Alves, and it was only by a pure accident that it did not succeed. A providential bullet hit the military leader—a well-known and hitherto trusted General—in the knee, and thus, the head and front of the movement being rendered powerless, the 'revolution' died away as rapidly as it arose. The revolutionary General, fortunately for the peace of the country, died of his wounds, a few other military instigators were transported at great expense from the pleasant pastures of the South to the torrid forest lands of the North, and things went on as usual. In the meantime many thousand pounds' worth of private, as well as much public, property had been destroyed, for which no one was held responsible, and no one has yet received a half-penny of compensation.

The chances of a thoroughly successful revolution in Brazil

are very remote indeed. It must be remembered that the United States of Brazil contains an area of 3,250,000 miles! Think of it! And scattered over this enormous tract of country there are less than 15,000,000 people. Of these, 1,000,000 are mere savages, living the lives of wild men of the woods, and seeing little or nothing of civilization. There are over 900,000 immigrants, of whom 100,547 arrived in the country in one year.

The Brazilian Army nominally consists of 28,000 men, but of these probably one-quarter could not be found anywhere but on paper. The Navy consists of some six cruisers, five torpedo-boats, and two torpedo-catchers.

The various regiments are scattered all over the country, some quartered right away up North, many weeks' journey down to the capital. Each of the forty-two ports has also to be well garrisoned, so that anything like a speedy or a safe concentration of the troops is clearly out of the question.

This fact cuts both ways; for while it certainly prevents the Government from successfully crushing at one blow any movement among the people, it also prevents the people from tampering with the loyalty of the troops, which is usually the first step towards revolt.

Thus it will be seen that the area of the country is too vast to admit of anything like complete organization from a given centre, while the selfishness of each of the individual twenty States and their respective Governments also acts as a powerful factor against any successful co-operation among the revolutionists. There is a strong feeling that the only form of Government which can succeed in Brazil is that of a Dictatorship, and sooner or later no doubt the experiment will be again tried, as most other forms have been tried—but fail, as they have failed.

I happened to arrive at Rio at the very moment the Revolution of 1904 broke out. I don't know whether it was the fifth or the hundred and fifth which had occurred since the establishment of the Republic, but there is no doubt about its having been the least serious and the least successful. It all commenced over an absurd and irritating new Vaccination law, which cruelly affected the womenkind of Brazil. The prime instigators were Lauro Sodré—a popular Colonel in the Army—Barbosa Lima, and Alfredo Varella. Serious and bloody rioting took place in Rio; the public were actively supporting the revolutionists; the police were waiting, as is their wont, to see which side offered the best chance for pillage; and the officer in command of the Military School—General Costallat—violated his oath of loyalty by handing over his command to the revolutionary General, Travarros, and called out the 300 cadets, with whom he joined the rebels. Almost at the beginning of the pitched battle which

ensued Travarros was wounded in the knee. He fell, and with him ended the Revolution, since no leader came forward to take his place. General Travarros died of his wounds, after his leg had been amputated. Twenty of the young cadets were killed; the rest were arrested. General Olympio de Silveroa was arrested also for treason, and a state of siege was declared for thirty days. Several hundreds of the revolutionists were seized and speedily transhipped to the pestilential territories of the Acre or the Amazon, where a hideous death from malaria no doubt awaited them. These are places more dreaded than Siberia. Mutinies of troops took place at Bahia and Pernambuco, but were quickly suppressed. Of the three original instigators, Colonel Lauro Sodré alone was apprehended, and he theatrically yielded himself a prisoner splendidly attired in full uniform, with patent leather boots, white kid gloves, and two superficial skin 'wounds' on his leg. Thus ended the Revolution of 1904, but it cost the country many millions of milreis and a good deal of mental anxiety.

There has been a Colonial Governorship, a Monarchy, a Commonwealth or Provisional Government, and now a Republic. There exist still numerous sturdy and irreconcilable adherents to the old order of things when Dom Pedro reigned as Emperor. The claimant to the Brazilian Throne, if ever it were restored—which it never will be—is Don Luiz, the grandson of Dom Pedro II.

There are to be found many old Monarchists to-day, and still others who, tired as they were of Dom Pedro's vacillation and ineptitude in the hands of his masterful daughter the Princess Isabella, yet cry aloud, 'Give us back our grievances.'

In all probability the present Government will outlive its natural term. It came into being on the Brazilian *dies idem*, November 15, 1902, and automatically should endure until November 14, 1906. The public antipathy to Dr. Alves' Government is no doubt intense, but not more so than that evinced against every single Government which has existed since that of the first President, Marshal Fonseca, in 1891. The present Government is credited by friend and foe alike with 'good intentions,' but then we all know about a certain nameless place thus paved? The secret of the friction is that this Government is carried on in the interests of the classes as against those of the masses. There is absolutely no unity nor loyalty between the one and the other, and that is the crux of the whole matter.

The Government of Brazil is more or less based upon that of the United States of America in theory, but in practice it bears little or no comparison with that of our Transatlantic Cousins. Administratively, the Republic of Brazil is divided into twenty Autonomic States, each having its President or Governor elected

by universal Suffrage, and, according to requirements, one or two Legislative Assemblies, which go by the name of State Congress. Each State has its own laws, its own Militia, and its own Budget; but the Capital of Rio de Janeiro and its suburbs form a special territory of their own as a Federal District, which is independent of any State. The Government consists of a President, who is elected for four years, and the usual Ministers of Education, Finance, War, Marine, Justice, and Public Works. Although by the terms of the Constitution no President or Governor of any State can fill two successive periods of office, the little difficulty is overcome by the simple expedient of a tame nominee being elected, of course with the connivance of the retiring official, and thus a Party can remain in power for an almost unlimited period. It is purely a matter of arrangement, and the native politician of Brazil, being an intriguer from his birth, finds very little difficulty in overcoming such obstacles as present themselves, or suppressing opposition either by means of bribery or open oppression. Clean Municipal Government is a thing unknown in South America generally, but probably in no Republic does corruption stalk abroad in so unblushing a manner as in Brazil. That the sole object in obtaining office by the majority of the holders is to become enriched at the public expense is conclusively proved by the enormous number of peculations which go on. Any Brazilian will endorse this, and will also express his conviction that so long as the present order of things exists, so long will public robbery from the public finances continue.

President Rodriguez Alves is a gentleman of good record, but excessively weak and vacillating in character. He has allowed himself to be used as a willing—or at least as an unresisting—tool by his Party, and it would be difficult to point to any particular act which he has carried for the benefit of his country during his term of office, now approaching a conclusion.

He was born on July 7, 1848, and is therefore fifty-seven years of age. He comes from Guaratinguetá, in the State of São Paulo, and being a native of that State his sympathies have ever been in the direction of promoting its interests—sometimes in opposition to those of other States. By profession Dr. Alves is a barrister and also a journalist, like some other South American Presidents who have vacated the editorial sanctum for the Presidential Palace. Dr. Batlle y Ordonez, President of Uruguay, is an instance.

His Excellency of the United States of Brazil has filled several public offices in his own Province, among others Justice of the Peace and Judge of Orphans—a position equal to that of our Lord Chancellor, who has control of Wards of Chancery up to a certain age. Dr. Alves received his full degrees in 1870,



Leaders of a Religious Procession



Seller of Pots and Pans



The Fishmonger



Poultry Hawkers

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and entered politics two years later. From 1872-1876 he was Deputy for São Paulo State in Congress, then under Monarchical principles; he took an active part in the Abolition of Slavery campaign, and in 1887 he was appointed by the Emperor Pedro II. President of the State of São Paulo. Dr. Alves was, however, among the most prominent anti-Monarchists, and two years later (1889) he shared with others the ignominy of turning the Emperor off the throne and establishing a Republic. As a reward for his services he was made a Deputy to the first Constitutional Assembly formed to formulate and promulgate the new Code of Laws for the Republic. He then became Minister of Finance under two Presidents—Peixoto and Morães—and, after serving as Senator and Governor of the State of São Paulo for a number of years, was finally elected President of the United States of Brazil in 1902. His term of office expires in March of 1906.

Who will succeed him it is a little perplexing to say. There are nominally four candidates in the field, but only two of them have any real chance. These are Bernardino de Campos, put forward by the State of São Paulo, and Campos Salles, put forward by the State of Rio Grande. It is not altogether impossible at the last moment that one or both may resign in favour of Affonso Penna or Ruy Barbosa. Both Campos Salles and Bernardino de Campos have been long years in Brazilian politics, as far back as the days of the Monarchy. De Campos is known to many British investors by reason of the active part he took in the arrangement of the Funding Loan in 1897. Salles has, among other public offices, been Chief of Police and twice Governor of São Paulo, and Minister of Finance during the Presidency of Prudente de Morães. Although the reigning President is forbidden by law to interfere in the election of his successor, Dr. Rodriguez Alves has worked energetically for Campos Salles, and has used all his personal and official influence on his behalf.

One is tempted to ask from what particular class of inhabitants the ordinary Government employee in Brazil is recruited.

Assuredly there is no age-limit enforced, for some very ancient and often decrepit men are found occupying positions in the various Departments, such as the telegraph, post, and customs, where activity and smartness are usually considered desirable, not to say essential.

In point of education, both old and young employees are alike deficient. The orthography to be found upon post-office and telegraph receipts, some specimens of which I have still in my possession, is most primitive and original; while far into April of this year (1905) a certain employee in the Rio de Janeiro

Post-Office continued to use the date '1904.' Whether he has even now awakened to the fact that a new year has not only dawned, but has actually made some progress towards completion, I do not know.

The making-out of a bill of lading or invoice, showing the exact amount of dues levied at the Customs House and in some of the other Governmental Departments—notably the railways run by Government or Native management—is frequently a long and tedious process, and when finally presented is nearly always found to be wrong in addition.

A Brazilian, upon being convicted of such erroneous arithmetic and inaccurate orthography, never evinces the slightest dismay; it is a fault so common among his class that no comment is deemed necessary.

Even upon revision he makes the same mistake again, and probably adds several others to the original. The same bland indifference is shown, and not even an apology is tendered. The employee is quite willing, however, to admit his error, and graciously consents to be put straight and learn that two and two usually make four and not five. He has also to be occasionally reminded that the multiplication table does not necessarily vary with any particular Government or time of the year.

The giving and receiving of bribes among Brazilians—especially those in Government employ—has become a terrible burden upon the commercial houses.

It is no longer a question of 'to whom shall be given,' but 'how much shall be given.' Every single official has his figure, and not one among them must be ignored.

The Christmas-box, for instance, is a tax which no employer in his senses would refuse. To do so would mean the storing up of a heap of trouble for him, which would probably prove his undoing.

Every petty little official marches up to the office on that most expensive *feira* (there is no 'Boxing Day' in Brazil) and boldly states the amount he thinks he should receive, and in the majority of cases he receives it.

A merchant informed me that last Christmas Day (1904) he paid away just over 4 contos (£200) in Christmas-boxes, large and small; and even then he had not granted all the sums he had had demanded of him, and that he expected a further conto (£50) would vanish before all the cormorants were satisfied.

Upon my inquiring as to whether he was really obliged to pay away such a sum as this to individuals who did nothing for him especially, but merely as one of the public who were paying for the services indirectly, he mentioned that any one of the

said officials had it in his power to hamper, and perhaps completely stop, his business by refusing to perform certain duties which otherwise would be duly discharged.

It is sad to know that this system of blackmail—for assuredly it amounts to nothing less—is openly connived at by the Government Departments employing these harpies: notably the Customs House, the Post-Office, the Excise Officers, and even the Fiscals and the State Deputies—the latter by no means ashamed to be put upon the same low level as the most needy among the minor officialdom.

In dealing with subservient or minor officialdom, it is just as well to bear in mind that more flies are caught with honey than with vinegar.

Whereas the majority of the lesser officials are very open to persuasion, and always, it may be said, to the influence of the five or ten milreas note, little or nothing can be effected by bullying or intimidation.

Over and over again this has been found to be the case; and even the most hot-tempered individual, after a residence of some months in Brazil, learns to calm his anger and take things pretty much as they come.

It is, of course, extremely difficult when one is inwardly seething with rage and indignation to smile sweetly upon the individual who has originally occasioned it. Nevertheless, one has to train one's self to do so if redress or satisfaction be sought. The best manner of treating the official class is to assume an extreme friendliness and bonhomie, meeting objections and obstructions with a joke, and under no circumstances taking offence.

The man who wants anything from a Government employee, and who, not getting it, shows temper, is lost. He must come again and again, even unto the seventy-and-seventh time, and mayhap in the end he will be successful. To storm or rave would be worse than useless, and inevitably lead to disaster and possible recrimination.

The methods of revenge for a slight or for a complaint to high quarters (invariably useless, I may say) that can be and are resorted to by the petty official are innumerable and wonderful.

I have known of an individual's life being made simply unbearable, and continued residence in a particular district rendered impossible, owing to the persecution—silent, but most effectual—of the district postmaster. By his influence and example it was found out of the question to carry on either business or social existence, and in the end a 'move on' to another district was wisely decided upon.

The usual method of obstruction is to absolutely ignore the

existence of the objectionable party, who is literally 'put in Coventry,' or to inflict upon him every kind of local and municipal tax, from which he can appeal, if desired, only at an enormous expense, and the risk of a fine being imposed in addition to the tax if the appeal is unsuccessful. Inasmuch as the judge who tries the appeal is in nine cases out of ten a relative, or, at least, a political ally, of the respondent official, the issue of the application may be guessed!

Fines are inflicted upon residents who do not pay their rates and taxes on the precise day upon which they fall due, and as the officials often change at their own sweet wills the dates of such payments, and this without any notice whatever being given, the number of innocent offenders is continually increasing.

An English lady of my acquaintance, who keeps a boarding establishment at Petropolis, was fined a sum of 300 milreis (£15) because she had accidentally omitted to pay her wine tax on a certain day, which was fixed, entirely without her knowledge, some weeks in advance of the time appointed the previous year.

The taxation officers are continually planning some fresh little pitfall for the unwary, and the only way to avoid the inevitable result of non-compliance is to remember the officials generously at all times, but especially at Christmas and other *festas*.

CHAPTER II

Brazilian hospitality—Native cooking—Shopping and marketing—The pedlar—Brazilian ladies at home—Colour in the streets—Interior of the houses—The appointments and furniture—Beds and hammocks—Elaborate character of hammocks—Baths and bathrooms—The water-rate collector—Cost of living at Pará—Rents—Food—Servants—Press of Pará

ALTHOUGH the Brazilians bear the reputation of preserving an extreme exclusiveness and reserve towards foreigners, they can be, and frequently are, very kind and hospitable in their own country. Once entry is obtained to a Brazilian household, there is nothing too good nor too much for the guest, who is treated precisely as one of the family. The best bedroom is placed at his disposal, the hours of meals are sometimes modified to meet his convenience, and the staff of servants is specially bidden to minister to his comfort. A latch-key is always provided, so that his coming in and going out are not even known to the rest of the household, and everything is done to make the guest's stay as pleasant and as unrestricted as possible.

As a rule, there are but two regular meals taken daily: the breakfast at 11 o'clock, and the dinner at 6 or 6.30 p.m. In the early morning coffee and bread-and-butter or biscuits are served, say, at about 7.30, after which the male members of the household usually proceed to their offices or warehouses. All are in full swing by 8 a.m. At 11 o'clock they return, and then partake of a substantial repast, consisting of soup, fish, a dish or two of meat, eggs, cheese, and fruits, wine, mineral waters, and sometimes beer.

Brazilian cooking varies considerably, and although there are but few remarkable native dishes, the variety of the food supplied is large. The European visitor may possibly find the amount of butter and grease used in Brazilian kitchens somewhat trying, especially if he hales from England. Most of the dishes are fried in grease of some sort, and sauces are served with almost everything. Joints are seldom brought to table, and even fish is served out in sections. Vegetables are not found in abundance, being apparently too expensive and difficult to

obtain in any quantity. Potatoes are abundant, however, but are not of a particularly good quality. Beans, carrots, and a small kind of cabbage, raised from European seed, are found in fairly plentiful supply, and the inevitable *farina*, tasteless and gritty, but deemed very nourishing, is served with practically every dish—fish, flesh, and fowl. To relish it properly one must be a Brazilian.

'Going to market' or 'shopping,' in the general meaning of the expression, is not a popular institution in Pará or in Manãos, nor yet in any other North Brazilian town. Ladies conducting households are too dependent upon the calls of itinerant vendors of poultry, fruits, vegetables, and even small articles of drapery, which are hawked about from door to door at all hours of the day, and apparently with some profit to the small army of pedlars who perambulate the thoroughfares.

These latter, when they are not wheeling barrows containing perishable goods or bearing them from place to place in small mule-drawn vehicles, carry their goods in packs upon their heads or backs, in much the same way as our country cheap-jacks and hawkers do at home.

In addition, however, the Paráenses are armed with two flat sticks made of equal length, and about $\frac{1}{4}$ inch thick by 1 or $1\frac{1}{2}$ inches wide. These sticks, manipulated in the same manner as Sambo handles 'the bones,' are continually and loudly snapped together, producing a singularly monotonous and unpleasant noise, so much so, indeed, as to attract but little attention, one would say, from possible purchasers in the houses which are passed.

Examination of a pedlar's basket showed that he was in a position to supply most articles required by a thrifty housewife, in the form of needles, pins, buttons, tapes, ribbons, cheap laces, elastic, tablecloths, prints and calicoes for dresses, towels, mosquito-nets, and numerous other articles.

Although I was never sufficiently fortunate as to witness an actual transaction concluded between vendor and purchaser, I observed numerous pedlars entering and leaving houses, and no doubt many bargains were successfully concluded within the privacy of the domiciles. I understand that some of these pedlars make quite a considerable income, and as they pay no licenses or taxes worth speaking about, and their success depends entirely upon their own individual efforts, the fact is easily comprehensible.

In Pará I have counted as many as nine pedlars visit one street in the course of fifteen minutes, succeeding one another with an amazing regularity, and all offering for sale precisely the same kind and quality of goods.

The extremely enervating character of the climate, combined



BRAZILIAN NATIVE TYPES

Group of Negroes at Bahia. These are Africans, probably from the neighbourhood of Lagos, and were originally slaves

with a rooted dislike to take unnecessary outdoor exercise, may account in a measure for the few shopping expeditions indulged in by Pará ladies. There is a large and very well supplied Market, held every morning from 5.30 a.m. until 9 or 10 o'clock, at which it is possible to find every kind of fruit, vegetable, and fish in season. But it is seldom that the housewife herself visits it, leaving the purchase of the necessities to the coloured cook, or male *fidus Achatès* of the household, or awaiting one of the numerous visits of the perambulating vendors of comestibles who is certain to turn up during the morning.

Bread, milk, and meat are brought to the door and bargained for on the spot. The custom has little to recommend it, since the amount of choice open to the purchaser must be limited, and the constant handling of the meat and fish in a particularly close atmosphere cannot possibly add sweetness to its taste—more especially when the cleanliness of the hands themselves is a question of degree.

Brazilian ladies, as a whole, do not appear very much in public, except at the time of religious ceremonies or national fêtes. Indeed, they are almost Oriental in respect to their exclusiveness, and to the tenacity with which they cling to their own houses.

For every woman that one meets abroad, at least ten men may be encountered, and the streets lose much of their brightness and vivacity accordingly. Upon certain occasions, however, the ladies of the town come out in force, when the variety and smartness of the costumes worn are quite striking. Several Parisian milliners and *costumières* are established in Pará, and do an apparently satisfactory trade. The Brazilians are fond of brilliant colours, and these, as a rule, are well suited to the dark-eyed and well-developed Señoras, who carry themselves with much native dignity, and move with a decidedly graceful bearing all their own.

The streets, also, are not by any means wanting in natural and artificial colour, since the various uniforms worn by the Military officers and soldiers, as well as the bright-hued cotton fabrics patronized by the coloured working men and women, are both smart and attractive. The brilliant green of the foliage of the magnolia-trees with which many of the streets are planted, the intense blue of the sky, and the dull yellow or tawny hue of the Amazon River, provide a wealth of variegated colouring, the general brightness of the town being further enlivened by several small park-like plantations, offering many gaudily-hued flower-beds and intensely green trees and shrubs as a relief to the eye. The houses are, moreover, parti-coloured, many being faced with green, pink, blue, red, and

mauve tiles, made of a common kind of porcelain, while others offer fronts of blue, yellow, and green stucco.

The interiors of houses in the Northern part of Brazil are usually provided with the least amount of furniture, and this latter is of the lightest character. In an intensely hot and somewhat humid climate it is obviously undesirable to still further add to the discomfort of breathing by heavy draperies or stuffed furniture. The sole idea, therefore, is to be as free as possible from unnecessary lumber in the rooms, and to admit as much air as can be obtained.

Both doors and windows are not only numerous, but are built as lofty and as wide as possible, so as to afford a continuous current of air through them. Above the doors are built open ventilators, the doors themselves being often half open—latticed. Even with these precautions the interiors of the houses are often found close and stuffy, especially during the rainy season, when not a breath of wind blows for weeks at a time. Then life becomes a burden in very truth!

The walls of the houses are never by any chance papered, even in the most luxuriously appointed residences. They are distempered, usually white or green, while the ceilings are of wood painted a similar colour or varnished.

The Brazilians do not go in largely for pictures, although in some of the better-class houses framed engravings, mainly of a religious character, may be seen enclosed in neat wooden frames. The doors of the rooms are of some darker wood, and are seldom closed. The floors are almost always bare in the bedrooms, but in the living-rooms light rugs or carpet-'squares' are found, and in the passages sometimes cocoanut-matting is laid down.

The wooden staircases are invariably left uncarpeted, which gives a somewhat bare, but decidedly cool, appearance to the interiors. All the windows are provided with Venetian shutters, designed to keep out the strong sunlight, but to freely admit the air.

Light bamboo tables, wooden bookcases, and light basket-work chairs form the greater part of the furniture, while bent-wood sofas, lounges, and 'rockers' are also much in vogue. Any other kind of furniture would speedily be attacked and destroyed by the millions of ants which infest every part of the town, and swarm even in the houses themselves.

The bedrooms are usually very large and airy apartments, but, being generally located inside the house—that is to say, behind the living-rooms—they are sometimes rather dark. The furniture is again of the lightest nature—cane-bottomed chairs, light wooden tables, wardrobes and bookcases made of handsome Brazilian woods, and many hanging mirrors, of which the

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Brazilians are very fond. The beds, as a rule, are more for ornament than use, the Brazilians being ardent devotees of the swinging hammock, which is slung upon hooks from wall to wall, and affords both cool and healthful sleeping accommodation.

Nine out of every ten natives sleep thus, and never wish to enter a bed unless they are compelled by illness or other circumstances. As a Brazilian explained to me, beds are only used upon two occasions—when required as the nuptial couch or a funeral bier.

Mosquito-nets are absolutely indispensable; but these are usually found to be so full of holes or made of such a wide mesh as to be of but little practical use in excluding the insidious and injurious little pest of these latitudes. The sleepers in hammocks are particularly prone to attack, as the venomous insects will sting right through the thickest material, and find an almost unlimited field for their operations. After a time, no doubt, the natives become immune from attack; but no European can expect to sleep peacefully in a hammock unless completely protected above as well as below by a good sound mosquito-net, carefully tucked in everywhere, allowing no possible mode of entry to this pertinacious pest.

The Brazilian hammock is often an exceedingly elaborate and handsome article, designed, however, strictly for use as well as ornament. The width of the hammocks is not infrequently equal to the length, say, from 12 to 15 feet, sufficiently broad to enable two people to occupy one quite comfortably. The materials used in their construction are various, such as grass, string, linen, silk, etc. The designs vary as widely as the colours, and while some are beautifully embroidered, others are deeply fringed or bordered with handsome tassels. The prices of these articles are just as divergent. Yet can get a thoroughly good and comfortable hammock, plain but serviceable, for as little as 12 milreis (about 18 shillings); or, if you crave a particularly handsome article, you can give up to 300 milreis (or £15).

All hammocks are made so as to be easily washed, and they are usually thus treated every fortnight. The life of a hammock is about ten years, if subjected to ordinary wear and tear.

People carry their hammocks about with them in specially-made bags or cases, the necessary wall-hooks, upon which to sling them, being found in every house—even in the living-rooms, passages, and on the flat roofs; thus it is not found difficult to 'put-up' a friend at a moment's notice. All he wants is two hooks and some wall-space; he himself provides the rest.

I have slept many times in hammocks, and, barring the mosquito visitations already referred to, I have found the experience pleasant enough. Personally, however, I prefer the

bed of my own country; for after all, to my insular mind, there is nothing more soothing to the tired body than the sensation of the cool linen sheet and the soft down pillow. All the hammocks that were ever made fail to come up to the good wire spring mattress, the spotless coverlet, and the dainty hangings of an English bed, to be found in every well-appointed house or hotel in the 'old country.'

Nearly every house in Pará possesses a bathroom, but some, I am afraid, are scarcely worthy of the name, and at the best convey but a poor idea of a 'bathroom' as we understand the term.

The better-class residences contain a modest but sufficiently commodious apartment, the floor of which is tiled and fitted with a roof-tap or spout, very much like that on a garden watering-pot. This is opened or closed by means of a chain pendant from the roof, and provides a capital shower.

In some houses there are found regular apparatus for providing douches, showers, sprays, etc., but such luxuries are rather rare. The majority of the bathrooms are merely furnished with the shower, there being no actual tub or 'bath,' and in so far as the furniture is concerned, there is found little else beyond a wooden bench or a stool.

Still, when one comes to think of it, but little else is really necessary? Hot water is seldom or never used in bathing, but if it is wanted it is brought in a pail or a large pan. The supply of cold water is usually plentiful, and of a good quality.

The Municipal water-rate in Pará is moderate enough, but the method of collecting it decidedly inefficient. The amount of one's bill for the fluid consumed depends a good deal upon the memory or the goodwill of the Collector. Some users are charged at a totally insufficient rate, while others are called upon to pay for four or five times as much water as they have actually consumed.

I have known some users who declared that they had not been troubled with accounts for months together, having apparently been entirely overlooked or forgotten by the Collector. Needless to say, the water-supply is in the hands of the Municipality, and hence this indifference and incompetence in its management. No private Company would conduct its affairs in such a slipshod manner, nor, indeed, could it long survive if it did.

The expenses of actual living in Pará may be said to be high—not so high as they were some five years ago, but still considerable.

It may be assumed generally that things cost about double the price that one pays in England. House rent, for instance, is a serious item. For a fairly-sized house, containing, say, six or seven rooms, one would have to give anything from £15 to



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TRANSPORTATION IN BRAZIL

**Amazon Steam Navigation Co.'s River Steamer "Barcellos,"
12,000 volumes**



See page 188

TRANSPORTATION TO BRAZIL

R.M.S. "Anselm" (Booth Steamship Co. Ltd.) 5442 tons



£20 per month, if situated in a fashionable neighbourhood, or from £10 to £12 if in a second-rate district. There are no taxes beyond the lighting and water rates.

A single room, unfurnished, costs from 50 to 60 milreis, say, £3 5s. to £3 15s., per month; but accommodation in the less accessible districts can be had for less. There are no lodging or boarding houses, as we understand the terms, and bachelors arriving in Pará as clerks or merchants find it best to club together in small groups, three or four or more, take a moderate-sized house, or part of one, and engage a cook-housekeeper and perhaps one small girl or boy.

The cook will probably cost anything from £2 to £5 per month, while the youthful servitor, if a native, will be content with board, lodging, and 'education,' the latter stipulation, however, being observed by both parties more in the spirit than the letter. If the cook is a decently honest body the arrangement will turn out fairly satisfactory; if, as is only too probable, she proves an unconscionable thief, the weekly bills will be found a serious item, as provisions—even when exempt from the toll usually levied by this deputy who purchases them—are high enough. Beef, which is generally good but rather too freshly killed, costs from 1s. 6d. to 2s. per kilogramme, say, 9d. to 1s. per pound; mutton, which is very good and comes up from the River Plate in excellent condition, fetches rather more money, namely, from 2s. to 4s. per kilogramme, or 1s. to 2s. per pound. Veal is scarce, and when obtainable costs 1s. a pound, and pork can be bought from 9d. to 1s. per pound.

One would naturally suppose that, being situated on one of the most thickly-stocked rivers in the world, Pará would enjoy an almost unlimited amount of fish. But this is far from being the case, and when fish is procurable it is neither of great variety nor particularly low price. This latter depends upon the size, and varies from 6d. to 9d. per pound.

The flesh of the Amazon fish is rather coarse, especially a large kind of shrimp, which in no way compares with the kind to be had in England. A large species of mackerel is the most common, but it lacks the particular flavour of its brother at home. Crabs and a kind of lobster are found in fairly large quantities, but these, again, are insipid to the taste in comparison with our Northern species.

The waters of Brazil certainly teem with fish, but few of them are particularly appetizing. The *pirarucu* is found in abundance. It is a large-sized fish, often running to 5 and 6 feet in length, and it fights vigorously for freedom when netted or hooked. The natives cut its flesh into strips and dry it, while they also split it into halves, and dry them thus in the sun, in

much the same manner as the Malay fishermen at Cape Town treat the *snook*.

An immense amount of dried *pivarucu* is eaten in Pará, while the dried tongues of the fish are also consumed. This is, perhaps, the cheapest fish found here, but shrimps, crabs, and other molluscs are not very expensive.

Vegetables, which are grown locally and are found in only moderate supply, are not very cheap. Milk, when fresh, costs from 1s. 6d. to 1s. 8d. per litre, but nearly all the natives use tinned milk, usually of the brand known as Anglo-Swiss Condensed. Eggs, new-laid, cost 2d. each, and sometimes more. Preserved eggs will not keep in this climate, and therefore they are not imported. Turtle eggs, obtainable only at certain seasons of the year, fetch from 1d. to 1½d. each, and they are small and soft in the shell, looking exactly like ping-pong balls. Fowls fetch a high price in the City, namely, 5s. to 6s. each, ducks from 7s. to 8s., and turkeys from 15s. to 20s. each. A whole turtle will cost 22s. in Pará, but in Manãos, 1,000 miles up the River Amazon, it can be obtained for about 5s. or 6s.

The Press of Pará is represented by three daily (morning) papers, all of about equal size and circulation. *A Provincia do Pará* is a four-paged sheet, printed upon a slightly toned paper, and having seven columns to the page. It is the Government organ, and the personal property of Senator Antonio Lemos, a very important official in the State of Pará, holding both the position of Lord Mayor of the City and Colonel Commanding of the Forces. He is a great wire-puller. *A Provincia do Pará* is very well printed and turned out, being a clean and well-conducted sheet, appearing every day of the week.

Senator Antonio Lemos also recently launched another daily newspaper in Pará, called *O Jornal*, strongly in favour of the present Government, with which he is, and always has been, *au mieux*.

Folha do Norte is an anti-Government paper, with Monarchical tendencies, of more recent creation than Señor Lemos's organ, and, of course, violently antagonistic to that gentleman and his associates. *Folha do Norte* is also a four-paged morning paper, having likewise seven columns to the page, but of less width and length. It is not so cleanly printed, and is perhaps rather less well thought of, except among the extreme anti-Government section of the community, which in a Republic is always a point to be reckoned with.

Jornal do Comercio appears daily, and is a rather smaller sheet, neither *pro* nor *con* the Government, preserving an 'independent' attitude, and holding the balance, as evenly as personal prejudice and interests will permit, between its two morning contemporaries.

The service of telegrams offered by all three papers is extremely meagre, there being seldom more than an eighth to a quarter of a column of telegraphic news in any one of them, and rarely more than ten or twenty lines of European information.

The trade advertising columns of the Pará papers are not well patronized, and can form but an indifferent source of revenue. Personal paragraphs and society 'puffs' are, however, very freely inserted, and are mostly paid for directly or indirectly. Long and eulogistic obituary notices, complimentary birthday greetings, nuptial announcements, and descriptions of social gatherings, form by far the larger proportion of the editorial contributions, and these are much esteemed by Pará people and their friends. Libel actions against the newspapers are somewhat rare; but personal encounters between the writers and their subjects are not unknown, and are sometimes serious.

Running a newspaper is not all 'beer and skittles' in Brazil, although in no country is so much license allowed to the Press, which naturally avails itself to the utmost of its opportunities, and sometimes thereby comes to grief. For instance, the author of an article called 'Triste Destino,' published in the *Folha do Norte* (the 'Northern Sheet'), was recently sent to fourteen months' imprisonment, and made to pay a fine of \$800, for libelling Senator Antonio Lemos, his political and journalistic opponent. The judge who passed this sentence—Dr. Flavio Gama—is a personal friend of the plaintiff's, and practically owes his appointment to his influence. At Ceará also recently the Government of the State, having a personal quarrel with the editor of the opposition paper, called the *Reacção* (the 'Reaction'), caused his house to be entered by the police, all his personal papers seized, and he himself pursued on board his ship, just about to sail, and his luggage overhauled and many private documents seized. For a 'free Republic,' however, this sort of thing is not unusual.

CHAPTER III

Hotels at Pará and Manãos—Restaurants—Prices of living—Rates of salaries for Europeans—Pará tramway service—Living arrangements among Europeans—Loose sanitary arrangements—Municipal and police neglect—Visiting the sick—Burying the dead—The filthy habit of expectoration—A ruse that failed—Street noises—A typical street scene—Brazilian Monarchy *v.* Republicanism—The last Emperor—His dethronement—Brazil's relations with Great Britain—A historical episode—The cash cost of independence—Liberty under a Republic

OF efficient hotel accommodation, either at Pará or Manãos, there is an entire lack. This is admitted and much deplored by the inhabitants, who, nevertheless, take no steps whatever to remedy the deficiency. In Pará there are some three so-called 'hotels,' containing at the most twenty bedrooms each, but as a possible compensation providing unnecessarily large drinking bars. What sleeping accommodation there is available is hardly inviting. The beds are mostly dirty, the washing apparatus provided is of the most primitive description, and the furniture of the scantiest.

The walls of the rooms are roughly whitewashed, and mostly bear the pencilled testimonials of previous, and apparently grievously dissatisfied, tenants. The floors are quite bare, and extremely grimy, the boards being, one would say, but rarely scrubbed, and full of mouse or rat holes. The whole apartment is devoid of comfort, and strongly reminiscent of the sort of accommodation provided in a back-woods settlement of the 'Wooly West.' The hateful cockroach, 'barrattas,' and other creeping, crawling things are everywhere.

The common dining-room or restaurant is even more repulsive to the visitor accustomed to cleanliness and a certain amount of refinement. The tables are of wood, covered with the cheapest and the dirtiest of napery. The drinking-glasses are of thick and common material, often chipped and cracked, while the crockery is very similar. Knives, forks, and spoons are of the quality usually found in doss-houses, and the food is very little better.

The attendants who supply the wants of visitors are, perhaps,



See page 197
"THE GREAT RIVER"

Views on the Amazon. (1) Near Santarem, 400 miles from Par  ; (2) The Shore near Obidos, 120 miles from Santarem ; (3) Entering the Narrows

the most objectionable of all, being for the most part half-bred Indians or negroes and slatternly negresses, half clothed, slopping about in down-at-heel slippers, and perfectly indifferent to the wishes—'commands' are unknown—of the customers.

There are one or two restaurants which are perhaps a trifle less unattractive, but not much.

Living in these hotels is expensive, the minimum rates being 12,000 reis, or, say, 18s., per diem; while drinks and all 'extras' are outrageously high in price, and usually extremely indifferent in quality.

It would be neither fair nor politic to omit mention of some of the many drawbacks which newcomers here must expect to encounter. There is no rose without a thorn, and one particular thorn here to-day is the extremely heavy cost of living. In Pará prices are not, perhaps, excessive, but the State of Pará offers very few inducements to the agriculturist. It is in the State of Amazonas where agriculture would flourish apace, and there, alas! at present the cost of living is almost prohibitive. If wages are high no benefit arises, as the commonest necessities of life range from 200 to 500 per cent. higher than with us. Take, for instance, house rental. The smallest habitation in Manáos fetches from £15 to £20 per month, and a single room from £5 to £10. Meat is about 1s. to 2s. per pound; fish, when obtainable, about 2s. or 3s. a pound, but as much as £1 has been asked and given in the city for a moderate-sized mullet. Eggs are 6d. each, bread 8d. a loaf, milk 3s. a bottle, and most other fresh articles of diet proportionately expensive. Tinned goods, imported mostly from England, are moderately priced, but cannot be regarded as satisfactory in a tropical country like this. It must be remarked that every single article—except, perhaps, ice, which is manufactured here—has to be imported from Europe, a distance of about 4,400 miles to Pará from Southampton, and a further 1,000 miles up the Amazon. At the same time it should be mentioned that everything edible which is at present being imported could be grown, and grown to perfection, at the very doors of this strangely indolent and indifferent community, whose sole idea, however, is 'Rubber,' which word accurately describes their hopes, their successes, their fears, and their misfortunes.

If the cost of living is high in Pará, the rates of remuneration are correspondingly large. It is obviously impossible to give anything approaching a scale of salaries paid, but generally it may be assumed that the ratio is from 75 to 100 per cent. higher than that paid in Europe. Bank clerks and the clerks employed by the large houses doing first-class business treat their staffs uncommonly well, and I was much impressed by the general good feeling which I found existing in almost all

instances between employers and employed. Especially was this the case in regard to the European Banks and Steamship Companies, the clerks in these offices being perfectly satisfied both with their present positions and future prospects, and living upon apparently excellent terms with their managers and one another. Indeed, the good feeling and bonhomie existing among the Europeans engaged in commerce in Pará, as well as in Manãos and other parts of Brazil, form to my mind one of the principal charms of living in that country. There is a certain 'clannishness' noticeable among Britishers wherever they are met with, even in the remoter parts of the world, no matter how reserved and 'stand-offish' they may be at home. Perhaps it is the knowledge and the sensation of absolute unsociability among the natives themselves that accounts for this mutual regard for their fellow-exiles in Brazil. I have observed this good feeling for one another existing among Englishmen elsewhere, but in no part of the world have I noticed it more strongly developed than in Brazil.

The sentiment does not merely prevail among the men, but among the women also, and in times of trouble or sickness no Britisher need go friendless, for his warm-hearted countrymen and countrywomen at once vie with one another in rendering assistance, physical, moral, and, if need be, financial. 'Blood' tells, after all, and under no conditions does a born Britisher come out more nobly or more characteristically than in his relations with a brother stranger sojourning in a strange land.

The City of Pará, being but 80 miles or so from the Equator, is not an ideal place of residence, the temperature during the earlier part of the day—and, indeed, until the afternoon—being very trying, and probably relished only by the native niggers. Europeans suffer considerably during these hours, but a delightful river breeze commences to blow with almost clock-like precision at three o'clock, and continues usually for eight or ten hours, and sometimes right through the night, dying away again towards daybreak. The City itself is interesting and picturesque, but very poorly paved in most of its streets.

A good deal of money has been expended upon public monuments, of which all South Americans are extremely fond, attractive squares, and public gardens planted with all kinds of tropical trees, shrubs, and flowers. The buildings are mostly whitewashed or plastered and painted in vivid colours, which, contrasted with the brilliant green foliage and the dense blue of the skies as a background, give a brightness to the town which is almost dazzling in its brilliancy. The houses are mostly of one story in the best of the residential quarters, and some of the suburbs now being laid out, such as Nazareth and

San Jeromino, are destined to contain a number of handsome residences and beautiful gardens. Rubber has proved the *deus ex machinã* to Pará, which at one time—in 1900 to be exact—was on the verge of bankruptcy, the banks failing one after another, and the people being almost at starvation's door. A complete change has come over the city since King Rubber shed his beneficent smile on the place. Money is being made rapidly, and is being expended freely; apparently everyone is participating in the excellent times prevailing.

When Pará is possessed of its new Electrical Tramway system, residence in that hot and most trying city will become somewhat less burdensome than it is to-day. It is pleasurable to note that the concession for the construction of the tramway has been secured by a British firm, due greatly to the energy displayed and the influence wielded by the British Consul at Pará, Mr. W. A. Churchill, who is an excellent and indefatigable trade guardian of this country's interests. The concession, which has been granted for a period of ninety-nine years, is held from the Municipality without payment, and the constructional work will be undertaken by Messrs. J. G. White and Company, Limited, of College Hill, London, who have already built several successful lines, and who are now engaged upon introducing the electric system for tramways into Monte-Video. The population of the City of Pará is estimated at about 130,000. The present inefficient tramway system, which is mule-drawn, consists of about 33 miles of single track, and has two different gauges. It is totally inadequate to the needs of the city, and the death-rate among the mules is one per day. Being entirely in the hands of natives, it is hardly necessary to say that the business is conducted in a very slovenly manner, the stables, for instance, being of the filthiest description—the worst that I have ever seen, except, perhaps, those of the Rosario Tramways Company, in the Argentine.

There are no competing lines of tramway at Pará, and in the hands of the new Company, which will also take over the electric lighting of the city, the earnings, which are now considerable, are likely to be materially increased. It is intended to very much further develop both the electric traction and tramway system, and when this has been effected the profits should be increased by something like 50 per cent. and 25 per cent. respectively. The moving spirit in this big enterprise has been Mr. C. H. Christopher Moller, of the firm of Moller and Company, of New Broad Street House, E.C., and who has spent many months in Pará perfecting arrangements.

Much has been written—and still more remains to be said—concerning the unhealthiness of most Brazilian towns. Particularly is this the case with regard to the cities of Northern

Brazil. But probably few realize how much this state of affairs is due to the ignorance and the carelessness of the Brazilians themselves. Actions almost criminal in their recklessness and callousness characterize many of the Corporations having the management of parochial affairs in their hands, and assuredly the same must be said of individuals. Instances have come under my notice which will readily prove the truth of these statements.

It is considered the height of unneighbourliness—and, indeed, almost inhuman cruelty—to omit frequent and prolonged visits to the bedsides of the sick and dying. Those suffering from contagious diseases are no exception, and it is quite the proper thing for a person dying of small-pox or yellow fever to be attended in his last moments not only by the members of his own family, but by all his friends and acquaintances for miles around. As many as twenty or thirty people at a time will sit around the death-bed of a small-pox patient, drinking and chatting, and watching the death-struggle with as little emotion as they would exhibit at a cock-fight. Each one of these visitors will then approach the body and touch or, perhaps, embrace it, while not one of them would consider it necessary to undergo any subsequent process of disinfection, and might be mortally offended if the matter were even suggested.

It is also customary, in this astoundingly ignorant community, for little children to bury a dead companion. A little boy or girl dying of, say, typhoid or small-pox will be borne to the grave in an *open* casket by other boys and girls, and the same method is often performed with unmarried women who have died—no matter from what kind of complaint. Absolutely no precautions against the dissemination of disease germs are ever thought necessary, and would be scouted if they were proposed to the authorities.

Another instance may be given of the extremely lax manner in which the local powers observe the question of protecting the public health. In a certain district of Parahyba a person died, far away from the town, and entirely unattended by a medical man, or, indeed, by anyone else. The body was found lying in a tumble-down hut, and in due course it was wrapped around with a sheet from the miserable bed upon which it was found; a long pole was then thrust through the bundle, and this was carried on the shoulders of two men into the town, brought to a church which was crowded with worshippers at the time, and literally thrown down on the floor in the midst of them. There the corpse was left the whole of one morning and part of an afternoon, when the same men returned for it and carried it away to the cemetery!

The astounding part of this story is that when the Police



See pages 193-4

BRAZIL

**Exterior view of Carpenter's Shop, Saw Mills, &c. at Pará,
belonging to the Amazon Steam Navigation Co. Ltd.**



See page 213

INDUSTRIAL BRAZIL

Sugar Factory at Cucau, 68 miles from Recife (Pernambuco)

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Inspector was informed of the occurrence he expressed neither surprise nor indignation, merely remarking that there was no danger of infection to be apprehended from the circumstance, 'even assuming it to be true.'

That it was true enough I am certain, since my informant, who himself witnessed the occurrence, fell over the body when leaving the church, at first thinking it was merely a bundle of clothing which had been accidentally left there.

Such matters are, however, of daily and hourly occurrence, which may in some measure account for the enormous mortality prevailing in nearly all Brazilian cities at certain times of the year—and principally after and during the rainy season—amounting to an epidemic, but existing more or less all the year round. It is hopeless to expect any sort of improvement so long as the lower classes remain in their present deplorable condition of ignorance and stupidity.

Nothing strikes the new arrival at Pará and throughout the North of Brazil more strongly, nor, I may add, more unpleasantly, than the habit which the natives seem to possess *in excelsis* of expectorating in public places.

Those who may have travelled in the East will have noticed a similar custom on the part of the Native Indians and the Japanese, in the first case mainly the result of chewing betel-nut.

In North Brazil nine men out of ten, and a goodly number of women, expectorate almost continuously, the act being accompanied by a nauseating clearing of the throat. It is extremely difficult to understand how a people, by no means wanting in ordinary courtesy and politeness, can perpetuate a habit at once so dangerous to themselves and offensive to other persons. By continually clearing their throats and robbing themselves of the necessary amount of saliva in the mouth, they lay themselves open to contracting cancer of the throat, and in any case to seriously impairing the digestive organs. I have observed a man clear his throat and expectorate as often as seven times in one minute, and this is by no means an undue average. The habit is not confined to the lower classes, either, for men and women in what may be considered good social circles, public officials, and nearly all military and naval men, have contracted the same custom, and practise it quite mechanically. The worst feature of the habit is the open and unreserved manner in which it is performed. The ordinary individual will unhesitatingly expectorate right in front of you without even turning aside his face, and often without troubling to rise from his chair in order to reach the window or open door.

On board the steamers—those coming out from Lisbon or

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On board the steamers—those coming out from Lisbon or

Hamburg as well as the native lines—the Portuguese and Brazilian passengers contrive to convert the decks and their own cabins into perfect cesspools. None of them will move a foot's distance to reach the side of the vessel or the porthole, but just wherever they happen to be standing or seated there will they relieve themselves, and leave the clearing-up to the deck-washers the following morning, or, as much more often happens, to be swept away by the trailing skirts of some passing woman, and to be trodden into the decks by other perambulating feet.

Upon some vessels spittoons are provided, and printed notices are displayed begging the passengers to be good enough to refrain from expectorating on deck ; but the first-named articles are left untouched, and the second unread, or at least ignored.

One English skipper of my acquaintance, thinking to put to shame a certain prominent offender who was among his passengers, ordered the Quartermaster of the vessel to follow up his footsteps carrying a wet mop, with instructions, whenever the said passenger expectorated on deck, to ostentatiously mop up the mess before his eyes. The ruse, however, failed ignominiously, since the offender declined to see the sarcasm intended, and merely recognised the courtesy of the extra amount of attention of which he was the recipient. The skipper, in relating the matter to me with much indignation and disgust, expressed the depth of his feelings by himself spitting vigorously, but over the side of the vessel, and not upon his own spotless deck, which proved that evil communications do not always corrupt good manners.

It would probably be rather difficult to find a nation who more thoroughly adore noises of all kinds than the Brazilians. Possibly they inherit their love of uproar from their barbaric ancestors, while the natural inclination of the coloured race for creating loud and discordant sounds helps and fosters the general feeling. Unfortunately, the Brazilians are likewise a very unmusical people, and their almost entire lack of discrimination or discernment in musical matters prevents them from thoroughly appreciating how exceedingly painful are their efforts to those who like sound without uproar. Their propensity for creating noises is manifested upon every conceivable and inconceivable opportunity. The numerous *festas*—religious festivals, in which the whole nation join, and which take place upon some forty different days throughout the year—are celebrated by the firing of guns and explosion of countless cheap but noisy fireworks. These are exploded in daylight just as freely as at night-time. It is the noise that attracts, and not the colour or pyrotechny. Whole bands of loud-voiced students, men, women, and children, march through the streets shrieking

See through for C

songs or belabouring 'musical' instruments—drums, sticks, and brass clappers. Every child that can sound a trumpet blows one right lustily, and the parents look on approvingly. At carnival time, for weeks previously serenades on the drum—about the least attractive of all instruments when played by itself—are usual; and I have listened—much against my will, be it said—in Rio de Janeiro to a barbaric solo on the drum, which actually endured, to my knowledge, from 2.30 to 10 p.m., almost unceasingly.

The performer was a Brazilian youth who resided in a house immediately facing the room of my hotel. All the houses round about were fully occupied, as was testified by the numerous heads of people appearing at the various windows and doors; and evidently the drum-solo possessed no lack of attraction for them, although its cruel monotony almost drove me frantic.

Next to my room was a visitor with a basso profundo voice, who practised singing day and night, essaying the most difficult compositions of Gounod, Verdi, Mendelssohn, and Arditì with like airy boldness and indifference. The walls of all Brazilian houses—even the most substantial and pretentious in appearance—being as thin as lath and plaster can make them, no part or portion of the volume of sound was lost upon me.

Combined with all this and the drum-solo aforesaid were the sound of many pianos emanating from as many different houses; the bawling of street urchins and itinerant vendors; the tattoo of a regiment of black soldiers practising close at hand; and the passing and repassing of numerous clanging, rattling tramcars.

Bedlam must have been as quiet as the grave compared with the clatter which distinguished residence in Rio de Janeiro in the year of grace 1905—and this, be it added, in one of the most fashionable and expensive thoroughfares of the city.

Although it would be very difficult to convince the average Brazilian of the fact, probably the weakest enterprise into which the country entered was the banishment of its Emperor, and the establishment of a Republic. It cannot be denied that with the forcible departure of Dom Pedro II. on November 15 in 1889, a day still kept as a National Fête, the moral credit of the country among foreigners suffered a severe blow. In no parts of the world to-day do Brazilian good faith and commercial probity stand as high as they did in the time of his late Majesty.

The moral status of the country has become seriously deteriorated, and the restraining influence upon national backsliding which prevailed in the Emperor's time departed with him, and he might almost have re-echoed the dying words of Madame Roland, 'O Liberty, what crimes are committed in thy name!'

*This man is either deliberately negligent
 or grossly ignorant*

I had never the pleasure of knowing the last Brazilian Emperor, but I have encountered several people in Brazil who were well acquainted with him. He is described as possessing a very striking figure, tall, broad-shouldered, and erect, with a fine, well-trimmed white beard and a mass of flowing gray hair. His honest grayish-blue eyes looked one full in the face, and certainly both his public and private acts, of which anyone may read in history, showed that he was a man of great integrity and the highest commercial rectitude.

At the time when Dom João left Brazil—'abandoned' would be a better term—the National Bank partially failed, and was compelled to lower the value of its notes. At this time the National Debt, considering the capacity of the country from the point of view of its inhabitants, was colossal, and not only were the Government officials unable to obtain their salary, but even the troops had no pay during two years. The annual budget of expenses rose to 14,000,000 cruzardos, while the receipts of the National Treasury scarcely amounted to 7,000,000. At that time the economic crisis was far more serious owing to the several provinces being at variance with one another; on account of the want of means of navigation and practicable roads; and the almost complete ignorance and superstition of the people.

Under the Empire exchange stood at 28½, or 1½ over par, while at the time of Dom João VI., in 1808, it was at 67½. Under Pedro I., however, it fell to 18; during the Regency it went up again to 43½ in 1833, while in 1847 it fell again to 27d. To-day it is about 17, and the Minister of Finance thinks it will go up to par=27d.

The story of the Emperor's dethronement has been so frequently told—with more or less accuracy, be it said—that there is but little to add to this subject. Brazilian history has been made very quickly. The substitution of a King of its own for a series of Portuguese Governors took place about 1808, when Dom João (pronounced Jong=John) simply changed the position of Regent to that of a full-blown Monarch. In 1821 came the proclamation of Brazilian Independence, and as soon as she emerged from colonial servitude, in the year 1822, the country underwent many further changes. Dom João VI. gave place to Dom Pedro I., who was eventually succeeded by his son Dom Pedro II., in whose favour he abdicated. Last of all came the much-vaunted 'Peaceful Revolution' of November, 1889, when the Emperor was dethroned and deported, a Federal form of Republic Government being established, and existing from that date to this. The Brazilians are very fond of relating how this revolution was consummated without the shedding of a single drop of blood, and they glory in the fact

X accuracy in the ...



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INDUSTRIAL BRAZIL

**Settling Tanks, River Piloes, belonging to the Santos
Improvements Co. Ltd. Brazil**



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INDUSTRIAL BRAZIL

**The Dam at River Piloes, belonging to the Santos
Improvements Co. Ltd. Brazil**

that 'not a blow was struck.' I have never been able to share the enthusiasm of these worthy people, and see little to be proud of in dragging from his bed in the middle of the night a worthy and harmless old man and sending him adrift without a single hour's warning of his cruel impending fate.

For three centuries the population of the vast Brazilian territory showed but a slight increase, and, according to the census published in 1820, there were not more than 3,797,900 inhabitants, made up of whites, domesticated Indians, slaves of African descent, freed men of colour, and half-caste slaves.

In something less than eighty years the number of inhabitants has quadrupled, and the population to-day of the United States of Brazil may probably be reckoned as between 15,000,000 and 16,000,000. Undoubtedly a certain amount of commercial progress has taken place, as it has in every other civilized country in the world; but, considering its marvellous resources, Brazil has not shown that advancement which her best friends could have desired. Perhaps, had the Monarchy been retained, Brazil would occupy to-day a much more advanced position in the march of the Nations' progress.

It is a curious commentary upon the deportment of the Emperor Pedro II. that the cause of his banishment, namely, his determination to abolish the African slave-trade, had also a direct bearing upon the friendly feeling which had always existed—and has since then become cemented—between Brazil and Great Britain. A great many years ago, when Brazil declared its independence of Portugal, the Brazilian Prime Minister of the day, Señor José Bonafacio, was very anxious to secure the moral goodwill of Great Britain, and he sent to England a special deputy, in the person of one Visconde de Barbacena—who, by-the-by, still lives, and will shortly enter upon his one hundred and fourth birthday—to treat with Mr. Canning, then Prime Minister of England, for the recognition of Brazil as an independent Empire. Mr. Canning was sympathetic, but imposed one condition, and that was that Brazil should undertake to give up, as far as it was concerned, the obnoxious slave-trade. Unfortunately for Brazil, the Government of that time would not accede to the request; for while Señor Bonafacio was undoubtedly a capable man in his way, he entertained no tender feeling for the slaves. In the end, Mr. Canning sent a Special Envoy, Lord Stuart Rothesay, to Lisbon to negotiate direct with Portugal in regard to the recognition of the Independence of Brazil by England; and it was not until 1889, when the Emperor Dom Pedro II., with one stroke of his pen, abolished the slave-trade, that this subject was ever again seriously mooted in Brazil's politics. For this last act of mercy His Majesty was dethroned. As

not true - and it was not his pen - At the time he was in Europe.

recently as this year (1905) the Brazilian estate of the late Emperor was proved, and included several freeholds at Petropolis—a town founded by him—a small residence in the State of Minas Geraes, some trifling *objets d'art*, and seven State coaches, the whole valued at £70,000.

Had the Brazilians accepted the British Minister's first conditions they might have obtained their independence for nothing; whereas in the end they had to pay £2,000,000 sterling, since Mr. Canning, failing to secure their cooperation in slavery abolition, insisted that the Brazilian Government should take over the responsibility for the loan of £1,400,000 which Portugal had raised in London, and also for £600,000 of property which the Portuguese Prince (King João VI.) had left in Brazil when he deserted that country, disgusted with the conduct of his subjects.

The relations between Great Britain and Brazil have always been friendly; but in London, as in Paris, Vienna, Berlin, and other money markets of the world, a distinct feeling of distrust prevails, so far as the Republic's sense of commercial honour is concerned, and I doubt very much whether, hereafter, Brazil will find it such an easy matter to raise money in England as it has done in the past. Under the heading of 'Finance' I deal with the whole subject of this Republic's loans, which have been raised in this country and elsewhere, more especially in reference to the borrowings of the different States, apart altogether from those loans which are raised and guaranteed by the Federal Government itself.

No doubt there is something that may be urged in favour of a Republic and of its benefits, such, for instance, as that in vogue and as it is understood in the United States of America, where there is to-day a President who rules by the esteem of the better classes of the citizens, and seeks not to enter into competition with the extravagance and ostentation of the ultra-wealthy. On the other hand, no one can deny that in the United States of America the forms of Democracy are strangely divorced from the reality; while the desire to give a free hand to property of all kinds has merely resulted in the establishment of an *imperium in imperio* of an astonishing and alarming character.

By Brazil, which had, at least, the example of the United States of America to serve as a guide, and by following which it could have avoided the pitfalls awaiting most Republics, nothing seems to have been learned. Here the Head of the State, who is little more than the figurehead of his particular Party, is never actually brought into direct relations with the people. There is nothing in the Brazilian form of Government which can allow the people to believe—as is the essence of Republicanism—

And yet it has done so since this is a printed

that *they* are the Government. The State, so far from being subservient to the interests and wishes of the people, arrogantly and insolently overrides them all; and no constitutional Sovereign, nor yet, indeed, the autocratic Czar himself, acts more arbitrarily than do some South American Presidents—notably General Castro, of Venezuela. During the Brazilian Monarchy there prevailed a certain nobility of ancestry—mere tradition though it might have been—which had a sobering and an elevating influence upon Society. It separated the ornamental from the executive branches of the Government, and while hardly affecting the value of the latter, emphasized the importance of the former. This a Republic can never hope to effect. Assuredly there was more real liberty under the Empire than has ever existed under the Presidency. Faulty as the Brazilian Empire undoubtedly may have been, it was fundamentally pure, and free from the scandalous jobbery which every Presidential régime displays.

—P. S. L.

CHAPTER IV

Shipping companies and Northern Brazil—The Booth Steamship Company—The Lloyd-Brazileiro—Disgraceful condition of the boats—Accommodation provided—Filthy habits of the passengers—The *Planeta*—Opposition to the Lloyd-Brazileiro—The Amazon Steam Navigation Company's interesting history and career—Life on the Amazon River—Ports and shipping—Customs and Customs House officers—The shipping at Brazilian ports

SHIPPING arrangements between Europe and South America (although still capable of improvement) have advanced considerably during the last few years, and at the present time the services are carrying as many passengers as they can possibly accommodate during the season—that is to say, beginning with March and ending with October. At this time of the year the carrying capacities of the home-coming steamers are taxed to the utmost, while on the return voyages they are equally well patronized. Many passengers offer quite large sums for cabins in use ordinarily by the ships' officers, engineers, pursers, etc., and, as a rule, they can secure them.

It is alleged that the experience of the Royal Mail, the Messageries Maritimes, the Pacific Steam Navigation and others has shown that a purely passenger service to South America does not pay; and some critics have even said that purely cargo boats do not pay, either. It would appear from this, if it be true (which I very much doubt), that the only way to make shipping pay is to carry a hybrid freight, such as is in vogue with the Hamburg-American Line; but I have no hesitation in saying that where the services are well managed, which in many cases they certainly are not, the carrying trade could not but prove profitable.

The northern part of Brazil, being but indifferently well known to European traders, is at present served by only two recognised lines of ocean-going steamers—the Booth Line from Liverpool and the Hamburg-American Line from Hamburg. At one time a keen competition existed between these two great companies, which, however, came to a termination by an arrangement which precluded the German line from calling at



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BRAZIL

Manãos Harbour. Warehouses (Amazems) showing the method of loading and unloading steamers by the Manãos Harbour Ltd.



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BRAZIL

Manãos Harbour. Landing-stage built on pontoons belonging to Manãos Harbour Ltd.



any English port, while the English Company refrained from touching at any German port. Both concerns are free to call at Havre and Lisbon, and both do so. Thus the Booth Line possesses a practical monopoly of the carrying trade from England to Northern Brazil as far as Pará, Manãos, and north of Pernambuco; but from that port and south of it a number of British, German, French, and Italian steamers make frequent calls.

In spite of being monopolists, it must be admitted that the Booth Company manage their line admirably, and it is extremely popular with British, Portuguese, and Brazilians alike. Many—if not most—of the steamers employed have been built in Glasgow, and many of the employees—captains, mates, and stewards—come from the North. The service is a ten-days' one, the journey from Liverpool to Pará occupying about twenty-one days, and on to Manãos four days in addition. The company likewise possess a good many up-river boats, and are mainly responsible for the immense and valuable reclamation works undertaken at Manãos Harbour, which have completely revolutionized the method of handling and distributing cargo, and, indeed, have served to raise the status of Manãos from that of a squalid village to that of an important port, which to-day possesses a permanent population of some 60,000 people.

The Booth Line of steamers was founded in the year 1866, when Alfred Booth and Company, of Liverpool, inaugurated a steam service between Europe and North Brazil. This was followed by the establishment, in 1869, of R. Singlehurst and Company's Red Cross Line. These two Lines have been closely identified with the rapid progress of the Amazon ports of Pará and Manãos, and a further service between North Brazil and New York was started in 1882. In 1901 the Red Cross and Booth Lines were amalgamated in one Company, under the name of the Booth Steamship Company, Limited.

The North Brazilian steamers sail at frequent intervals from New York, Liverpool, Havre, Oporto, Lisbon and Madeira to Pará, Manãos, Maranhã and Ceara, and a large passenger business is done between the Portuguese ports and the Amazon. The Company also is interested in and manages the Iquitos Steamship Company, Limited, whose steamers proceed more than 2,000 miles up the River Amazon to Iquitos, in Peru. The combined fleets of the two companies consist of thirty steamers, with an aggregate tonnage of 81,430 tons. Fourteen of these are passenger steamers. By arrangement with the Postmaster-General, the Company carry the Royal Mails to Pará and Manãos; they also carry the Mails between New York and North Brazil.

I give a list of steamers belonging to the Booth Line :

PASSENGER STEAMERS.				CARGO STEAMERS.					
				Tons.					Tons.
<i>Anselm</i>	...	...	...	5,442	<i>Justin</i>	...	...	...	3,498
<i>Ambrose</i>	...	...	...	4,187	<i>Boniface</i>	...	...	...	3,506
<i>Augustine</i>	...	...	...	3,498	<i>Benedict</i>	...	...	...	3,378
<i>Clement</i>	...	...	...	3,445	<i>Bernard</i>	...	...	...	3,280
<i>Jerome</i>	...	...	...	3,056	<i>Basil</i>	...	...	...	3,224
<i>Obidense</i>	...	...	...	2,380	<i>Horatio</i>	...	...	...	3,212
<i>Cearense</i>	...	...	...	2,769	<i>Dunstan</i>	...	...	...	2,966
<i>Maranhense</i>	...	...	...	2,767	<i>Polycarp</i>	...	...	...	2,966
<i>Grangense</i>	...	...	...	2,162	<i>Dominic</i>	...	...	...	2,966
<i>Cametense</i>	...	...	...	2,184	<i>Amazonense</i>	...	...	...	2,828
<i>Fluminense</i>	...	...	...	2,154	<i>Gregory</i>	...	...	...	2,030
<i>Hildebrand</i>	...	...	...	1,947					
<i>Hubert</i>	...	...	...	1,922					

The Iquitos steamers are :

								Tons.
<i>Javary</i>	...	...	...	...	...	...	...	1,249
<i>Napo</i>	...	...	...	...	...	...	...	1,091
<i>Ucayali</i>	...	...	...	...	...	...	...	1,052
<i>Bolívar</i>	...	...	...	...	...	...	...	1,015
<i>Huascar</i>	...	...	...	...	...	...	...	875

All these steamers are fitted with electric light throughout, and passengers are provided with everything necessary for the voyage, which is one full of interest, and especially so from Pará up the incomparable Amazon River as far as Manãos.

With regard to the more Southern ports, including Pernambuco, Rio and Santos, all the big European South American Liners call regularly.

The native coasting lines which run North and South between Pará and Pernambuco are the Lloyd-Brazileiro, the *Navagação Costeira*, the Pernambuco de *Navagação*, the *Navagação Gram Pará*, and the *Navagação do Pará*.

The Lloyd-Brazileiro Steamship Company at one time possessed a practical monopoly of the valuable and remunerative coasting trade right away between Pará in the North to Rio de Janeiro in the South. The Government rendered the maintenance of this monopoly all the easier by imposing heavy restrictions and imposts upon any foreign competitors. All cargo carried in Brazilian bottoms is entered free of duty; substantial bounties are paid to the vessels making the round trip between the ports above mentioned and calling at all the other principal ports on the east coast at certain intervals, and, in addition, a handsome mail subsidy is paid.

In spite of these facts, the Lloyd-Brazileiro Company has fallen upon evil times. Some few years ago it was managed

by an Englishman, a Mr. Byrne, and under his skilful superintendence the shareholders received a steady dividend of 18 per cent.

Mr. Byrne maintained an excellent and regular service, insisted upon prompt attention to duty, and accepted no outside interference from any source whatsoever.

In due course of time this clever manager retired, and from that hour the fortunes of the Company commenced to wane. The present directorate, which has its head office at Rio, is apparently hopelessly unable to pick up the threads, and things are rapidly going from bad to worse. Whereas the Company formerly possessed the reputation of almost clock-like punctuality, to-day its sailings and arrivals are the laughing-stock of the community. No one ever knows when a boat will leave, or whether it will leave at all; while it would, indeed, be a bold prophet who could foretell its arrival within a matter of days. There are supposed to be 'weekly sailings' between Rio de Janeiro and the Northern ports; but it frequently happens that ten days elapse between the departure of one steamer and another, while on other occasions three or more boats will leave or arrive within a few days of one another. No one is more completely ignorant of the movements of the Company's fleet than the Company's Agents themselves, and it is impossible ever to get any information of a reliable character from them.

Shippers of cargo are never sure when their shipments will reach them, while passengers are equally unable to make any definite arrangements for departure or arrival, being, as they are, entirely at the mercy of the Captain of the particular vessel upon which they propose to travel.

Each Captain acts precisely as he deems fit as to leaving or reaching a port, calmly ignoring the provisions of the official sailing-list and the instructions of the Head Office alike if his own arrangements are the least likely to be interfered with by observing them.

The ordinary reader may not inaptly seek to know what 'arrangements' the Captain of a Company's steamer could possibly have which were independent of his employers' interests. It remains to be explained that it is these same independent and ever-conflicting interests of the Company's employees with those of the Company which have reduced the Lloyd-Brazileiro sailing fixtures to something like chaos and the interests of the shareholders to almost vanishing-point. Each official of this Corporation is permitted to trade on his own account, and he does so for all he is worth, considering the Company's advantages as very subservient to his own, if, indeed, he ever considers them at all. When each employee—from the Captain down to the donkey-engine driver—is permitted

to carry on business on his own account, buying and selling produce, bargaining in cattle, and transacting all manner of sale and barter, it is not difficult to understand how the profits of the Company must suffer. Needless to say, nothing of this kind ever went on during the management of Mr. B. Byrne, the English Superintendent. It is since he left the Company that the evil has crept in; it is rampant to-day, and has made such headway that nothing less than a complete sweep of the present régime can eradicate it.

An official of the Lloyd-Brazileiro confessed to me that his salary as Chief Officer on a certain steamer belonging to the Company was merely nominal, but he was permitted to trade on his own account; and he did so with so much success that he was enabled to bank between five and six contos of milreis (about £250 to £300) each voyage. Imagine, if you can, the officer of a British line of steamers buying and selling cargo, and carrying it in his employers' ships entirely free of expense! Where would the Company be, and where would that officer be? The only bathroom on the *Planeta* was used by the Chief Officer in which to keep his chickens.

The National Government imposes a heavy and decidedly unfair burden upon all ships sailing under the Brazilian flag by insisting upon a native Brazilian being carried as Captain. This, of course, is merely done to enable the Government to find positions, at other people's expense, for political friends and allies. Many of these Captains are ex-Navy men, for whom comfortable berths are required, and the Companies sailing under the National flag have no option but to submit.

The newly-launched German Freytas Line, of which the Lloyd-Brazileiro Company have good reason to be afraid since they are proving very formidable competitors, have to carry Brazilian Captains; but, recognising that the majority of the officers who are imposed upon them are absolutely ignorant and incompetent, they carry, in addition, thoroughly qualified German navigators, and it is to these that the destinies of the ships are confided. The plan works smoothly; for while the conditions of the Government are religiously observed, neither the interests of the Company nor the safety of their passengers are imperilled.

The vessels owned by the Lloyd-Brazileiro Company are well built, the majority having been constructed in British shipyards, many, especially in the case of the *Brazil*, the *Alagoas* and the *Mandos*, being extremely fine-looking and quick-travelling boats. It is of the provisioning, the management, and the handling of the steamers that one has only too much reason to complain. It would be difficult to describe the filth of some of the Company's boats, or the complete indifference shown to



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PERNAMBUCO (RECIFE)

**Natural reef which extends 1000 miles along the coast of Brazil. Harbour
Lighthouse at the end of Recife portion with Olinda in the distance**



the comfort or the convenience of the passengers. Perhaps the very worst of the Company's bad boats is the *Planeta*, a vessel of about 2,000 tons. As it was my fate to travel by this steamer from Pará to Pernambuco, I may, perhaps, speak with some authority upon the nature of its management.

The *Planeta*, on the particular occasion referred to, was two full days late in sailing from Pará. It was more or less from twenty-four to forty-eight hours late all through the voyage; it never once sailed at the advertised time; it never once arrived at a port when expected; and it persistently carried more passengers than it had accommodation for.

Its third-class passengers were huddled together among cattle, cargo and lumber of all kinds, while its first-class passengers were crowded into cabins built to hold but half the number, allowed to sleep on the tables of the dining-saloon and on deck, and generally treated with much about the same amount of consideration as are sheep being carried to slaughter.

The food provided was of the very coarsest character, and as coarsely cooked and served. The saloon napery was indescribably filthy, the glass and crockery of the commonest, and the 'service' elementary. The cabins were to my knowledge never once scrubbed during eight days—and probably longer—the towels (tattered rags scarcely larger than an ordinary duster) were rarely changed, while the decks were no sooner washed down in the early morning than they were converted into veritable cesspools by the passengers spitting about them, and, upon the occasions when the sea was at all rough, freely and unrestrainedly vomiting upon them! Just as they were treated, so were they left by the deck hands, who would not throw even as much as a pail of water over the mess! In fact, no attempt was made by either the passengers or the officers of the *Planeta* to preserve the commonest decencies of life, and I am told that such may be accepted as the usual methods observable upon the Lloyd-Brazileiro boats. I am glad to be able to say that my individual experience has been confined to but one of them; and that one will serve me to all time! Anything less acceptable than the treatment afforded by the *Planeta* I certainly never wish to test.

I may add that the latest exploit of the Captain of the *Planeta* has been to run the boat aground between São Luiz and Maranhão. There were 290 passengers on board at the time, and they were finally deposited at their destination nearly one week late on a voyage supposed to take five days! The record of the Lloyd-Brazileiro Company is 'one shipwreck a week.' I understand that at last the Brazilian Government has become nauseated with the Lloyd-Brazileiro Company, and

has granted facilities to a new Portuguese Company to run a double line of steamers between Portugal and Brazil, calling at the ports at present mostly served by the Lloyd-Brazileiro—namely, Ceara, Maranhão, Pará, and Manãos—while a Southern line will also compete with them at Pernambuco, Maceio, Bahia, Rio, and Santos. The new competition will probably mean the disappearance of the Lloyd-Brazileiro Company, and a good thing that would be—for passengers.

The Amazon Steam Navigation Company, Limited, a purely British concern, has had a very interesting if somewhat variable career. It was launched as far back as 1872, and then had a capital of £1,000,000, in 50,000 shares of £20 each. It was largely the promotion of a distinguished Brazilian gentleman, Viscount Maua, who had great influence with the Emperor, and who took his title from the Port of Maua (pronounced 'Mawar') near Rio. A large number of the Navigation Company's shares were held in Brazil; but the enterprise did not succeed as well as its promoters expected, and it was found necessary in 1880 to reorganize the capital, the £20 shares being reduced to £15—that is, written down £5 a share. Even then, however, matters did not very much mend, for in 1880 the £15 shares had still further to be written down to £12 10s., at which price they still stand.

No doubt the Company had to contend with an enormous number of difficulties in the early days of its career, such difficulties as only those who have lived in Brazil can appreciate; but with true British pluck it stuck to its enterprise, and to this fact may be attributed the enormous amount of river trade which is now carried on between the Port of Pará and the upper rivers. To-day the Amazon Steam Navigation Company possesses about thirty-three fine boats, two of which are of 16,000 'volumes' and several of 12,000. I may mention that the capacity and proportionate size of the Amazon River steamers is represented by the number of 'volumes,' or packages, which they can carry, the average weight of which is 1 hundredweight each. All of these boats have been built in British yards, and embrace screw, twin-screw, stern-wheel, and paddle types. The affairs of the Company are extremely well managed, and compare very favourably with the native-run Lines, more especially that of the Lloyd-Brazileiro, to which I have already referred. The Company is fortunate in having Mr. R. G. Boyd as Manager at Pará, since he is not only a thoroughly capable and painstaking superintendent, but is *au mieux* with the Brazilians and the State Government itself.

To anyone requiring an exceptional experience in the way of travelling, I could not do better than suggest a trip in one of the Amazon Navigation Company's Steamers from Pará up-

river. Some entrancingly beautiful scenery is to be met on the way, and provided the boats are not too crowded with trading passengers—which, I admit, might prove an objection—both comfort and amusement may be found on the trip. The journeys take any time from fifteen to thirty days, while others can be prolonged for over three months. Splendid sport can be had on the way, as the steamers stop at every little port, and afford ample opportunity for prospecting the neighbourhood. I do not know any part of the world which contains a more remarkable display of flora or more kinds of animal life than the Amazon; the most exquisitely-coloured birds may be seen flying in countless numbers in the forests, while hundreds of monkeys, the tapir, the sloth, the jaguar, the crocodile, and the ant-eater can be shot, and unlimited fishing indulged in. The place is likewise a paradise for the butterfly and moth collector; and if he be also fond of snakes and other reptiles, he can indulge his fancy for them to an unlimited degree.

Those who, being in Brazil, desire to take the Amazon River trip, conducted by the Amazon Steam Navigation Company, Limited, may find the following table of the Steamers, with distances (in each case given to the terminal point) and fares, of interest:

To	Sailing Date.	Distance in Miles.	Fare in Milreis.
	FROM PARÁ		
Manãos	1st and 15th	925	100
Maués (Santa Julia Line)	. 5th	970	120
São Antonio (Rio Madeira Line) ...	7th	1,617	263
Goyanna Itaituba Line (Rio Tapajós) ...	10th and 25th	834	93
Mazagaõ ('Island Line')	11th and 26th	481	55
Baiaõ (Rio Tocantins)...	12th	141	33
Rio Purús	13th	2,555	293
Iquitos	20th	2,066	287
Calçoene and Oyapock	One voyage monthly to Calçoene and one to Rio Oyapock	793	170
Soure	—	40	Single 6, Return 10
Pinheiro	Twice daily	8	200 reis.
Mosqueiro	Once or twice daily	18	400 reis.
	FROM MANÃOS		
Santa Isabel (Rio Negro)	1st	423	146

With its 4,000 miles of coast-line, it is only natural that Brazil should possess a large number of ports. Some of them, such as Rio de Janeiro and Santos, have fine entrances, both

scenically and from a navigation point of view; but others, such as Cearã, Maranoã, Pernambuco, and Maceio, are both difficult and dangerous to enter. Many years must go by and many millions of pounds sterling must be expended upon these harbours before they can be utilized with safety and without dependence upon the state of the weather. At Cearã, for instance, which is an important cotton and farina-growing centre, entrance to the port is invariably dangerous. No large steamer will come anywhere near it, and only the smaller ones come in about $\frac{1}{2}$ to 1 mile from shore. The landing of every bale of goods and every single passenger is carried out by transhipment into small row-boats, and then, some 100 yards or so from the shore, everything and everybody have to be carried bodily upon men's shoulders to dry land. The surf is always rough and boisterous here, but in really bad weather it is impossible for any kind of boat to live in it.

Many years ago an English Company endeavoured to build a harbour and landing-pier at Cearã, but after the foundations had been sunk and the work of construction had made some progress, a storm swept the whole thing away, and £350,000 of good English money lays buried in the sands of Cearã to-day. No further effort to construct a port here has been made, and probably none ever will be.

The ports are gradually being brought into better inland communication by means of railways, and branches built on to the already existing systems. The ports already thus connected are situated at Rio Grande do Sul, Paraná, São Paulo, Rio de Janeiro, Minas Geraes, Espirito Santo, the Alagoes, Pernambuco, and Parahyba. The Rio Grande do Sul Railway connects the capital of the State and the seaport of Rio Grande with the southern frontier of the Republic. Of this and all railway systems I speak more fully in another chapter.

It is somewhat difficult to compare the different movements of the great South American Ports, but the following figures may afford some idea of Brazil's position in relation to the other Republics :

OCEAN NAVIGATION MOVEMENTS.

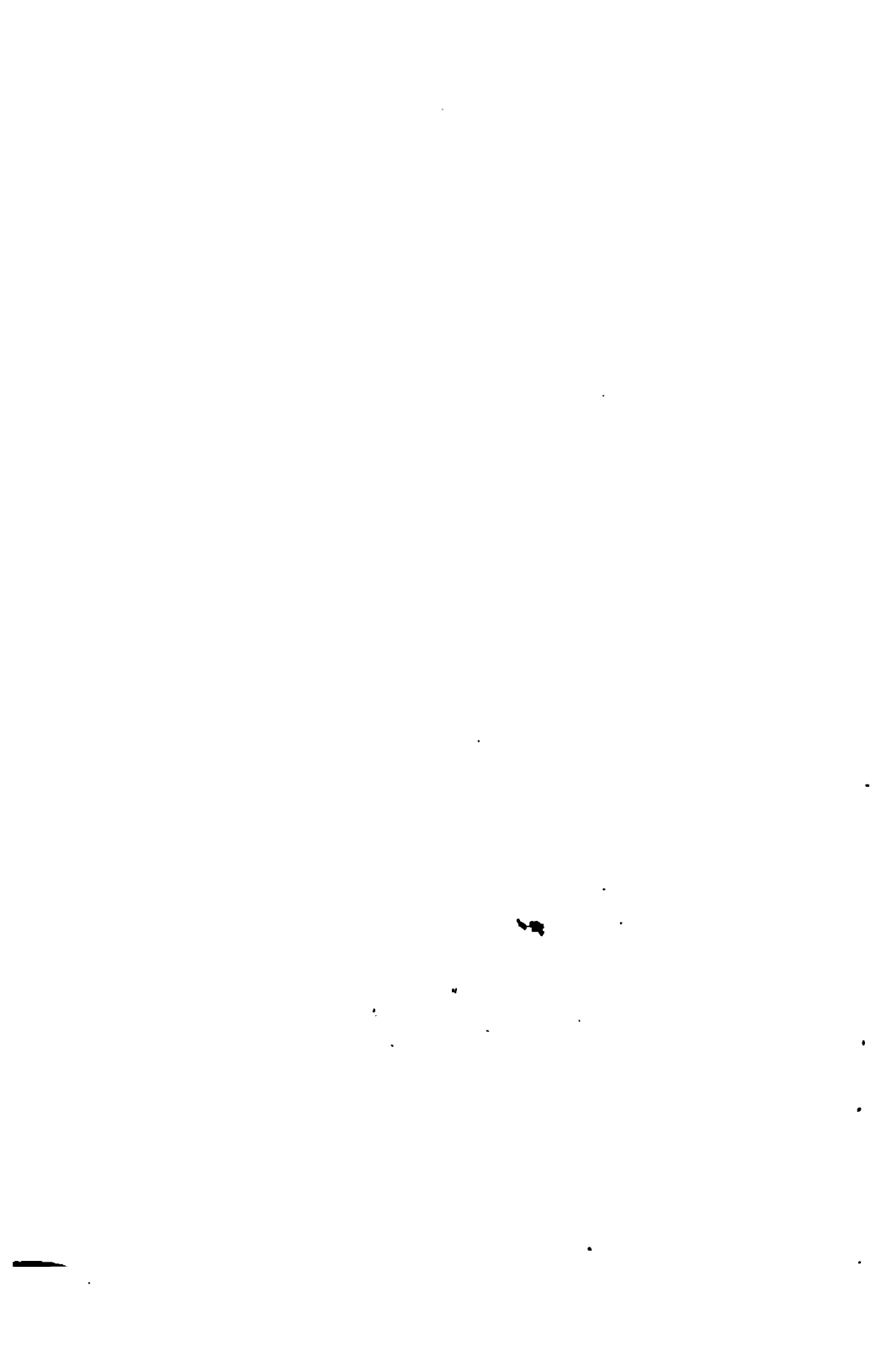
Republic.	Entry.	Departure.	Total.
Brazil	2,933,000	1,409,000	4,342,000
Argentina	3,822,000	4,212,000	8,034,000
Chile	3,537,000	2,998,000	6,535,000
Uruguay	2,564,000	2,429,000	4,993,000



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PICTORIAL BRAZIL

A Street in the City of São Paulo, Rua São João



COAST NAVIGATION MOVEMENTS.

						Tons.
Brazil (Rio)	...	..	...	...	...	573,000
Argentina	...	...	...	...	...	12,301,000
Chile	...	...	...	...	...	7,641,000
Uruguay	...	...	...	...	...	2,255,000

It will be seen that Brazil, in spite of its enormous area and many ports and great preponderance in size over the other Republics, comes in a very poor last when comparisons are drawn.

Throughout South America the duties levied by the various Republics upon one another are found extremely irritating and costly by travellers. The different currencies and the continually changing rate of exchange further complicate matters, and calculations become so confusing that one frequently feels that 'that way madness lies.' As an example of the different rates in vogue—say, by Argentina—I quote the import duties upon tobacco and yerba. Upon Paraguayan produce Argentina levies 29 per cent. if ground, and 21 per cent. if unground; the duty levied upon Brazilian ground is 58 per cent. Upon Paraguayan tobacco the duty is from 66 to 100 per cent.; upon Brazilian tobacco there are three or four sets of duties, depending upon which port they come from; thus, Bahia pays 75 to 119 per cent., Rio de Janeiro 132 per cent., and the Rio Grande 133 per cent. Upon Havana tobacco only 50 per cent. is imposed.

The rates of duties are always changing, and one never knows what alterations are in force until the time to pay arrives, and then it is too late to take any measures of safety. Brazil is the worst offender in the matter of the altering of the tariffs, and at the present time there is sitting a Committee for revising the Customs House tariffs for the coming year (1906), showing an increase on all live cattle equivalent to 15 per cent.

The Customs House officials in Brazil are about the most unconscionable and rapacious rogues I have ever met. Their methods of levying blackmail are so vulgarly apparent that it is impossible to doubt that they reckon them as part and parcel of their duty—to themselves. The amount of salary they receive—when the Government finds it convenient to pay—is so small that were it not for the forcible tips they extort from travellers they could not possibly subsist. This blackmail is levied right under the noses of the superior officials, with whose cognizance the transaction is carried out, and in connection with which they no doubt demand and receive their quota. Often I have seen these lean and hungry Portuguese half-breeds wrangling over a tip just bestowed, and almost coming to blows. A whole shed full of travellers, with piles of unexamined

luggage, have been kept waiting while the officers settle their differences. Not only has the voyager to pay tribute to the Government officials, but also to the negroes who handle his luggage, and who, but for these tips, would simply refuse to bring it to the Inspector's notice, or remove it again when once he has passed it. Every passenger ship entering a Brazilian port is immediately boarded by these harpies, whose keen, glittering black eyes are here, there, and everywhere, watchful that nothing shall escape their baneful attention. And nothing does!

The City of Santos, where the Customs officials are particularly rapacious, is rapidly becoming as important from a commercial point of view as that of Rio de Janeiro itself. It practically owes its regeneration from a fever swamp into a habitable place of residence to the efforts of the Santos Improvements Company, Limited—a British concern which was formed in 1880, with a total share and debenture capital of £600,000. The General Manager, Mr. Hugh Stenhouse, has been many years connected with the Company, and wields great influence with the authorities, with whom, as with the Company's customers generally, he is very popular.

Santos has about 45,000 inhabitants, for whose benefit the Company supplies admirable services of gas, water, tramways, and electric light. The water is taken from the Serra mountain range, 21 kilometres from the town, by a 20-inch main pipe, laid in 1899, having a capacity of over 5,000,000 gallons per day, in addition to the supply of about 1,000,000 gallons which are brought down to the town by the 8-inch and 10-inch pipes, thus making a total of 6,000,000, or 60 gallons per day each for 100,000 people. The whole of the material used in constructing the waterworks is English, the pipes having been supplied by the well-known firm of Cochrane and Company, Limited, of Middlesboro-on-Tees.

The pipes were chiefly turned and bored, varying from 20 inches to 4 inches in diameter in 12-foot lengths, so far as the 20-inch and 18-inch are concerned, and in 9-foot lengths from 12 inches to 4 inches in diameter. The pipes were cast vertically in dry sand moulds, sockets downwards, with a head of metal on the spigot end, afterwards cut off in a lathe. The proof-pressure was 800 feet head of water in the case of the 20-inch pipes, and 400 feet for the other sizes.

The tramways in Santos are about 31 miles in length, and are worked by mules. The gas consumption amounts to some 60,000,000 cubic feet per annum; while, in regard to the electric light, an entirely new installation is being put up by the Westinghouse Electric Manufacturing Company, force being supplied by a Dowson gas installation. At first there will be two 150 K W dynamos, to be followed by two others, if needed.

CHAPTER V

Brazilian ports—The Amazon River—Manãos Harbour—The harbour works—Commerce passing through—The rubber industry—Maranhão—Pernambuco—The city described—Trade and commerce—An active Vice-Consul—Bahia—Trade conditions—Decrease of British firms—Sanitary regulations—Local industries—Rio de Janeiro—Changes in the city—The improvements effected—New port and harbour works—Alienation of subscribed funds—The Rio City Improvements Company, Ltd., and their work

THE immense coast-line of Brazil, which is washed by the Atlantic, is abundantly supplied with Ports, some, such as Rio de Janeiro, being among the finest in the world. Taking them in the order in which they occur, and as I visited them, from north to south, the principal ports are as follows: Pará, from which Manãos is reached 1,000 miles up the Amazon River; Maranhão; Ceará; Natal; Cabadello (Parnahyba); Recife (Pernambuco); Maceio; Bahia; Rio de Janeiro; and Santos.

Nomenclature among Brazilian ports affords ground for much perplexity among travellers. Nearly every place has an alternative name. Thus, Pará is also 'Belem,' Bahia is 'San Salvador,' and Pernambuco is 'Recife.' The Port and City of Pará and Port of Ceará are described on pp. 176 and 194.

The Amazon is in very truth a marvellous river. It rises in Peru between the Andes and the Cordilleras. Here it is almost as small as the Thames at Lechlade, but, springing from this desolate cradle, it bounds into life under the name of the Alto Maranhão. Soon it increases in size, its current becomes more and more assertive owing to its reception of a number of other rivers which it meets *en route*, and which flow on 'to join the brimming river.' The Amazon crosses South America from west to east, a length of some 3,724 miles, of which two-thirds are in Brazilian territory. At Pará, where it is many miles wide, it rushes to meet the Atlantic Ocean, and so strong is the current and with such violence does it come down that its brown colour taints the ocean for a distance of 120 miles out. Here it measures to 158 miles across from shore to shore. Statistics do not convey very much to the unimaginative mind, but possibly even the non-arithmetician can grasp the magnifi-

cence of the river's power when it is said that the volume of water passes along at about 499,584 cubic feet per second, and discharges 55,000,000,000 gallons of water an hour, with a current rapidity of 3 miles. I have seen the Nile (2,578 miles long), the Yang-tse-Kiang (3,314 miles), and the Mississippi (3,716 miles), and many other world-celebrated rivers, but the Amazon outvies them all from every point of view—size, colour, width, and accompanying scenery.

I have heard Manãos described as a 'mushroom city.' It may be true that its progress from the obscurity of a mud-hut village to an opulent commercial centre has been almost as rapid as a mushroom growth; but if it came up in a night it has certainly no intention of perishing in a night. Manãos has come to stay. It is something like a revelation to light upon this thriving and busy town, with its 60,000 inhabitants, after four days' monotonous travelling on the Amazon River. From the silent primeval forests, peopled by scantily-attired Indians and tropical animal life, one suddenly emerges into civilization—telegraphs, newspapers, French restaurants, and electric tramcars—without previous warning of any kind. The transition is startling and most impressive.

Once upon a time Manãos had to do all its business through Pará, and the Pará people do not forget to remind one of the fact. Little by little the young town broke away from its leading-strings, and to-day many firms formerly established in Pará have gone up to Manãos, while nearly every house there has a branch or a representative at the up-river town. The enthusiasm for an establishment in Manãos may be still further understood when it is remembered that there is a difference of 3 per cent. between the duty upon Amazonian rubber exported through Pará and that exported from Manãos itself. The largest steamers arriving from Europe can come up to Manãos, the tides being felt 600 miles up the river from Pará, and the river being navigable for 3,000-ton steamers as far as 1,500 miles, and for smaller steamers for 3,500 miles, beyond Pará.

The rubber and general goods exported from Manãos are remarkable indeed, considering how recently the town—or city, as it is entitled to be called in Brazil—was first established as an independent port.

To the traveller approaching Manãos from the River Amazon—and practically there is no other way of reaching it—the most conspicuous object was formerly the immense zinc-covered market-place. To-day it is the Harbour buildings and the Harbour itself which command attention, the outcome entirely of the splendid enterprise of Messrs. Booth, of the Booth Steamship Company, of Liverpool. An exceedingly



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TYPES OF BRAZILIAN SCENERY

Jurujuba Bay, Rio de Janeiro, showing the Sugar Loaf Mountain in distance

large outlay of capital, as well as the exercise of great tact and discrimination, were necessary to obtain the results which have been achieved—not without many setbacks and bitter disappointments being met with. The actual benefit enjoyed by the City of Manãos and the whole of the rubber interests is enormous, and there can be found no one connected with either the one or the other who would deny to Messrs. Booth and Dr. de Lavandeyra—the Technical Director—every credit and commendation. The concessions for the Harbour Works cost, from first to last, £108,000. There have been two concessions necessary—one from the Federal Government, to construct quays, wharves, stages, roads, etc., and the other from the State Government, for certain proprietary rights and additions. The actual cost of construction has been about £500,000. The Company, the capital of which is £500,000—all of which is issued—and Debentures amounting to £130,000, owns to-day a consolidated and always increasingly valuable property, managed in an exceptionally able and liberal manner, and possessing the goodwill of every official and private individual of Manãos. Last year's profits amounted to about £35,000.

The principal wharf owned by the Manãos Harbour Company, illustrated elsewhere, has a 100 metres frontage and a depth of 70 metres. There are four large warehouses, also shown in my photograph, numbered 1, 2, 3, and 4. These are of what is known as the gridiron type, and measure 20 by 40 metres each. There is also a large double warehouse—numbered 5 and 6—measuring 100 by 20 metres. Then there are four further warehouses—or 'armazems,' as they are locally called—Nos. 7, 9, and 10, these being T-shaped and measuring 45 by 20 and 60 by 40 metres, while No. 8 warehouse, somewhat smaller, is located further up the river.

The whole of these warehouses, continually filled with and as continually cleared of all kinds of goods, but mostly rubber, are maintained in the best of good order and scrupulously clean, the different consignments of goods being arranged in various sections so as to be readily accessible. Light rail-lines run along all the floors and out to the loading and unloading platforms. The stevedores work under the best of sanitary conditions, the warehouses being lofty, light and perfectly free from odours of any kind, and well protected from the intense heat of the Brazilian sun.

The floating roadway which has been constructed by the Harbour Company, to facilitate passenger-embarking and disembarking, is 160 metres long, with a grade of 8 per cent. at dead low-water level. It is intended to construct a T end to this wharf, measuring 150 metres in length by 25 metres in

width. The whole of this construction is built upon pontoons, the rise of the water being about 40 feet. Messrs. W. and P. Maclellan, Limited, of Glasgow, have done—and done admirably—a great deal of the constructional work of Manãos Harbour, as well as at Iquitos.

Maranhão (pronounced Māranong) is situated midway between Pará and Pernambuco, and is a typical Portuguese settlement. It is extremely old, and therefore extremely interesting. The climate is mid-tropical. It takes half an hour to reach the shore in small boats from the steamers anchoring here, as there is no port or landing-pier of any kind. The wooden inclined plane up which one has to crawl to reach the town is full of loose planks, half eaten away by rot, and covered with an accumulation of slimy filth and garbage thrown there. Grass is found growing in the streets, and desolation reigns over everything, 'Ichabod' being clearly imprinted upon every house and building. Such business as there is is confined to sugar and cotton. During the American Civil War the town was very active and prosperous. A shallow and tortuous channel has to be negotiated when arriving at or leaving Maranhão, and the steamer has to wait for the flood-tide.

Pernambuco is the first port touched by the big liners arriving from Europe—such as the Pacific Steam Navigation, the Royal Mail, the Messageries Maritimes, and the Hamburg-American; while most of the other cargo lines trading with South America also call here. It may be taken for granted that none of the liners call from choice, since the Coral-Reef, which reaches a thousand miles in length from Maranhão along this coast, is particularly dangerous at Pernambuco. Both embarking and disembarking are usually carried on under severe difficulties, and when a strong wind is blowing from a certain direction and the sea is very rough, with a heavy swell, passengers have to be lowered to the launches and smaller boats in a square box called a 'chair,' and then swung over the side like so much merchandise.

The town of Pernambuco is, like Maranhão, typically Portuguese in appearance, the style of the buildings, the fetid smell arising from the streets, and the general dirt of the place rendering it impossible to believe that one is situated anywhere else but in Brazil. There is no pier or landing-place of any description, merely an embankment, which slopes down to the river. The sea-front is, however, cemented and protected by a strong stone wall. In the harbour the water varies from 16 to 25 feet in depth, and during the spring tides it rises from 5 to 7 feet.

Pernambuco is built upon two long narrow necks of land

and the mainland, the peninsulas being formed by two small rivers and the ocean. Across the rivers are thrown two or three very handsome iron and stone bridges, and the first impression formed upon approaching the city from inland (by rail) is that, somehow, one has stumbled upon a part of Venice. The formation of the canals and the buildings are here almost duplicated. The streets are narrow (built thus to obtain as much shade as possible from the tropical sun), the houses are narrow and very high—from four to five stories—and the public buildings are cheap and tawdry. The Customs House is a hideous square, yellow erection; the Presidential Palace is a tumbledown but pretentious square building of two stories, and most of the public offices evince the same dreary state of neglect. The common meeting-place of the community seems to be a tree-planted space overlooking the landing-place, and here gossips—black and white—sit or lounge all day. The proportion of blacks over whites is very large, and the niggers are more impudent and independent in Pernambuco than in most other places in Brazil. Their habit (no doubt learned from their masters, the Portuguese) of spitting every other minute is characteristic. There is a finely-stocked market, where things are offered at very cheap prices. There are several handsome palm avenues, and a cemetery filled to repletion.

The principal trade consists of sugar, cotton, cotton seed, hides, skins and rum, but both loading and unloading of merchandise proceeds very slowly, owing to the inadequate arrangements already referred to and the lack of proper hauling appliances. Most things in Pernambuco present the idea of dilapidation, from the 'Reef' downwards. Even the lighthouse at the entrance to the inner harbour is crumbling away in parts, and I should never be surprised to hear that a more than usually strong wind had demolished it. This dangerous coast is provided, but inadequately, with warning lights. In addition to the Harbour lighthouse, which revolves red and white alternately, and which can be seen at a distance of 20 miles, there are two other lights indicating the Port—viz., Olinda, which is some 5 miles distant on Olinda Point, and Cape Santo Angostinho, about 18 miles distant.

When steamers can come inside the Reef—to do which they must not draw more than 23 feet of water—they are in perfectly still water; but very few of them venture to do so.

The population of Pernambuco, including the suburbs, which, by-the-by, are exceptionally pretty and contain some very fine private houses, is about 170,000. Of these some 15,000 are Portuguese, 1,000 Italians and 450 British, the rest being made up of French, Germans, Swiss and other nationalities. The interests of British trade are admirably looked

after and aided by the British Vice-Consul, Mr. Arthur L. G. Williams, who has been at his post for fourteen years, and during that time has supplied the Foreign Office with some altogether admirable Consular Reports upon the progress of affairs in his district. It is only fair to say that, although there has been a very efficient Consul-General at Pernambuco, the greater part of the trading statistics in connection with the office have been compiled by Mr. Arthur Williams, who stands exceedingly high in the esteem of the British community, and whose good work is thoroughly appreciated by the commercial classes of Brazil, if it is occasionally overlooked in Downing Street. Mr. Williams occupies a prominent position in Pernambuco circles, having been connected with this and other Brazilian centres for three decades at least.

The next most important port to Pernambuco is that of Bahia, which lies about 400 miles south, and thirty-five to forty hours steaming distance. Bahia ranks as one of the finest ports in the world, and although the Brazilians themselves have not done very much to improve it, it is naturally and well sheltered by the Island of Itapaca. Landing from the steamers is easy, and there is no difficulty in reaching the shore at most times of the year. The town itself is divided into an upper and a lower, the higher portion being reached by means of an elevator running up the side of the cliff, very much after the manner of the Cliff Railway at Lynton, North Devon.

I give a description of the Railway at Bahia in the chapter which deals with Brazilian Railways generally.

Trade at Bahia has been very slack for several years past. Money is scarce, and loans have been, up to last May, even scarcer. But the foolish foreigner has once again come to the assistance of the State of Bahia, and, as the future will prove, to his great peril. There have been fewer failures during the last few years, perhaps for the simple reason that there have been fewer firms to fail; and whereas a dozen or two prosperous British firms might have been found twenty years ago, to-day their number is reduced to two. The truth is that Bahia has a very unenviable reputation for commercial honour.

When I was in the city the health of the place was extremely poor. In 1903 there had been a disastrous epidemic, the deaths being about 4,500 out of a population of 265,000. Diarrhoea, dysentery, consumption, and malarial fever are the scourges of Bahia, and the town is never altogether free from some kind of epidemic.

Bahia possesses an excellent Medical School, which makes a study of such subjects as pharmacy, obstetrics and dentistry.



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PICTORIAL BRAZIL

Entrance to Rio de Janeiro Bay, showing Gloria Hall and Church (scene of Dia da Gloria Festa held August 15); City Improvements Co.'s Pumping Station; Old Market, now pulled down; and Sugar Loaf Mountain in distance



There are especially fine laboratories at this school devoted respectively to chemistry, natural history, bacteriology and histology. It is rather a sad commentary that, with all this medical learning, Bahia remains one of the most deadly fever holes on the Brazilian coast.

The general economic condition of the city and State is bad. Most of the Government officials are paid very irregularly, and, as is the case at most of the Ports of Brazil, numerous speculations go on. It is a marvel that the State of Bahia was, as recently as May last, able to borrow still further money. The deficit for 1902 and 1903 amounted to £206,126, and I have every reason to believe that the year 1904 to 1905 will also show a deficit, although the State Officials may so manipulate the figures as to prove otherwise. Inasmuch, however, as the above-mentioned deficits are about to be increased by the interest payable on the new loan, which will amount to an annual charge of £55,560, I do not see how anything but a serious deficit for the period mentioned can be expected. The trade of Bahia consists of coffee, cocoa, tobacco, skins, Piasava, and wood, a large portion of which finds its way to the United Kingdom. There is also a promising furniture factory here, which turns out the kind of articles used in the country—light and substantial, but neither artistic nor elegant in design, mostly of the bent-wood variety.

South American natives, by which I mean those born of native and not European parents, are naturally somewhat proud of their country, if not of their fellow-countrymen. The average Brazilian will tell you that Brazil is the only place worth living in, and the City of Rio the only city worth talking about. In Recife you will be confidentially informed that Rio is a pest-hole, and no one with any common-sense would live in it if he could live elsewhere. In São Paulo the good people have no opinion at all about either Rio or Recife, and believe only in the advantages of São Paulo. And here I agree with them, for of all Brazilian towns São Paulo is the only really handsome, well-built, well-managed, and—comparatively—healthful place of residence.

Rio's great drawback used to be the sanitary arrangements; since the excellent and progressive work done by the Rio City Improvements Company, Limited, a British concern long established there, and more fully dealt with in the next few pages, a vast change has come about. £2,000,000 have been spent on drainage, £3,000,000 on water supply, and over £1,000,000 on drain water-sewers. The Harbour now no longer receives the drainage, but on rare exceptions the filtrate. The sewerage is treated with lime, sulphate of alumina and charcoal. Past improvements in street construction have been completed

during the past few years, and during my sojourn at Rio still further and more ambitious alterations were going on. Old and malarial houses were being pulled down in all directions, and handsome new edifices were going up in their place. Several magnificent Avenues were being cut through the city from end to end, and when these are finished and planted as they will be with trees they will vie with any to be found in the Sister Republic of Argentina.

No one seems to know exactly what the population of Rio amounts to to-day, but probably it is at least 600,000. Official figures, even when obtainable, are notoriously unreliable, but in 1896 the figures stood at 436,830; since then many new inhabitants have been added, so that my estimate is probably an accurate one. When, in 1901, Dr. Gabriel Corrasco, the eminent statistician, put the whole population at under 500,000, the people were very wrath with him. The Government then took a census, but the result proved that the population was under 400,000. The death-rate used to be enormous, but owing to the improvement in sanitary arrangements this is now considerably modified, being only 19 per 1,000.

In point of public street-lighting Rio has a better service than even Buenos Aires. It had also the first tramway service, horse and mule-drawn, but now an excellent service of electric trams runs to all parts of the city; the horse trams still linger upon some of the routes, and apparently both kinds carry on a profitable and crowded traffic. It is too hot to walk about much in Rio, and many thousands of short-distance trips make the tramways pay. Trams also run up to the mountain residential places of Tijuca, the International Hotel, and other pleasant resorts, while the suburbs of Rio, if flat and situated a little too near the Sanitary Company's experimental ground, are charmingly laid out and splendidly served by the electric tramways. The city possesses several theatres, some exceedingly beautiful churches, many well-cared-for public gardens, and some delightful private residences. The Rio people evidently attach little importance to the old adage about 'Fools building houses for wise men to live in them,' since nearly every well-to-do resident erects his own freehold, and furnished or unfurnished houses are most difficult to obtain. To the eye almost everything in Rio, so far as social life is concerned, seems attractive; it is by long residence only that the many drawbacks present themselves in all their objectionableness—the hot nights, the mosquitoes, the filthy odours, and the lack of agreeable society—since all who can afford to do so live some distance away from the city.

House rental runs very high where it is possible to find accommodation, and land itself in the city has gone up enormously

during the past few years. Even in the worst times building land pays from 8 to 10 per cent. per annum, and some owners succeed in getting as much as 17 per cent. This is the return which is yielded to the Fathers of São Bento, who are reputed to have proved extortionate and merciless landlords on occasions. To make the new Avenue in Rio, which is to be 5,540 feet long by 100 feet wide, 594 houses have been demolished. The Avenue will run from the new docks and wharf to the very centre of the city.

Important works are going on at the Port and Harbour. The contract is in the hands of Messrs. James Walker and Sons, who have already carried out several big undertakings in other parts of South America and elsewhere. They will have to construct a wharf 10,600 feet long, large warehouses, and all modern apparatus for effective handling of cargo. The channel alongside the wharf is to be 28 feet deep at low water and 910 feet wide. Money for the purpose was borrowed in London by the Government in May, 1903, the issue being for £8,500,000 gross. Off this commissions had to be taken. The Commissioners of the Port Works have had the handling of this large sum of money, and up to the present no one knows what they have done with it, or how much of the amount has been devoted to the original purpose of the Harbour, Port, and Dock Works. What I do know is that no less a sum than 29,997\$,000 out of the 55,000\$,000 has been expended upon the new Avenue, and not a word about 'Avenues' was ever mentioned in the original Prospectus of the Loan. As it is proposed to spend altogether £8,000,000 upon the Dock and Harbour, if the same process of alienating the funds is continued this sum will have to be raised several times over. If the new works, when completed (always supposing they are), do for Rio de Janeiro what the Port Works have done for Santos, almost any expenditure would be justified. But twelve years ago the Port of Santos was little better than a fever-hole. It was described in official reports as the 'ante-chamber to death,' as indeed it was. To-day, thanks to the Port Works and the Improvements Company's combined efforts, Santos is almost as healthy a place as Buenos Aires, and a great deal better than Rio de Janeiro.

It is no figure of speech to say that but for the many sanitary improvements which have been effected during the past fifty years in Rio de Janeiro by the Rio de Janeiro City Improvements Company, Limited, life in that beautifully-located but dirty place would to-day be almost an impossibility. The Company was organized as far back as 1862 in order to carry out a concession granted to Mr. J. F. Russell and V. de Lima by the Government in 1857, for the drainage of the sewage and rain-

water of the City of Rio de Janeiro. The work was commenced that same year, and consisted of the drainage of the area extending from the Praça Duque de Caxias on the south side to the Praia Formosa on the north, comprising altogether about 14,000 houses. This area was divided into three districts, each with its separate pumping-station, situated respectively at the Gloria, the Marine Arsenal, and the Gamboa. This work was contracted for by Messrs. Brassey and Ogilvie. The drainage service consists of the house drains and closets, with sinks to receive the rain-water which falls on the backs of the houses, as well as mains in the streets and pumping-stations for raising and chemically treating the sewage. Certain rain-water sewers were also built for carrying off the surface-water from the streets, but the extensions of these were afterwards carried out by the Government under contract with Mr. Joseph Hancox, a former partner of Messrs. Brassey and Ogilvie.

The districts I have mentioned were from time to time extended, and in 1875 a second contract was entered into with the Government for the drainage of the districts of Botofogo and São Christovao. In 1882 extensions of the latter were made to Trapicheiro and Caju, and in 1884 to Villa Izabel. In 1890 a third contract was made with the Brazilian Government for further extensions to the Botanical Gardens on the south side, and as far as the workshops of the Central Railway on the north. The area now drained contains over 51,000 houses, and from one extreme to the other measures about 20 miles.

The Company has now before the Government plans for draining another district lying between Botofogo and the Atlantic, called Copacabana, as well as a vast scheme—involving the outlay of about £2,000,000—for carrying the whole of the City drainage many miles out to sea. The scheme is one of paramount importance to dwellers in the City of Rio de Janeiro, and no concern other than the City Improvements Company could so effectually handle it.

The system employed by the Company is water-carriage, and the disinfection of the sewage is obtained by means of lime, sulphate of alumina, and charcoal. There are the following pumping-stations, beginning from south to north :

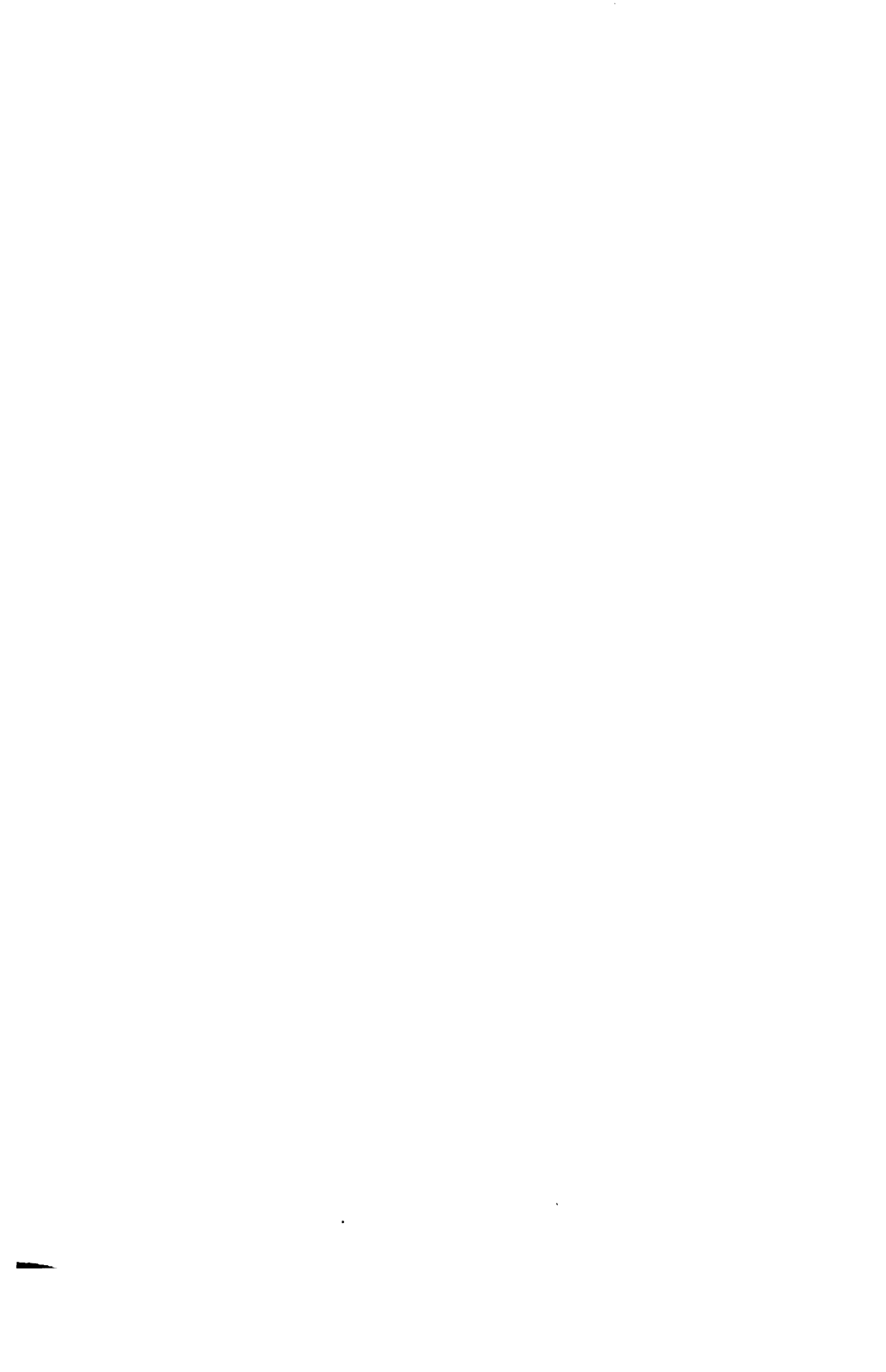
	Pumping Capacity.		
	600 cubic feet per minute.		
Lagoa
Botofogo	1,700	" "
Gloria	1,800	" "
São Bento	2,700	" "
Gamboa	2,500	" "
São Christovao	3,100	" "
Alegria	1,200	" "



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"Arsenal de Marinha" pumping-station No. 1 of Rio de Janeiro City Improvements Co.



There is also an auxiliary station at the Mangue for raising sewage from the lower to a higher level.

The Lagoa station is also provided with two Shone's ejectors, working by compressed air, for the same purpose.

The lengths of sewers constructed are approximately—

Main sewers in brick or concrete ...	...	60 miles.
Subsidiary sewers, stoneware piping ...	...	160 "
Branch pipes for houses ...	...	1,200 "

For the service rendered and maintenance the Government paid the Company, according to the above-mentioned contracts, the sum of 60 milreis per house per annum, exchange at that time being at about par, or 27d. per milreis; but when exchange fell to 6d., as it did at one time, it was found that it would be practically impossible to continue to supply the service. No dividends were paid for nine years, and it was with the greatest difficulty that the Company were able to meet the Debenture interest, the drawing of the bonds being for the time suspended. Application was made to the Government for a revision of the contract on more equitable terms; and after a hard fight, which lasted eight years, a revised contract was signed, by which the Government undertook to pay the Company the 60 milreis per annum at a fixed rate of 19d. to the milreis, and the Company on its part were obliged to revise their existing sewers, introducing various improvements and modifications. The Company were also obliged to prepare studies and estimates for pumping the whole of the sewage into the Atlantic. These studies were duly made and sent in, but so far, although it must ultimately do so, the Government has come to no decision on the matter. The revision work in the City is being carried out very energetically, and several large sewers are in course of reconstruction.

In addition to the pumping-stations mentioned above, the Company possess the following properties: (1) *The Central Office* at Santa Luzia, with carpenters' and plumbers' shops fitted with modern machinery. (2) *Workshop and Foundry* at Gamboa, where all the machinery is repaired, and most of the sanitary fittings are manufactured. The manufacture of concrete blocks for construction of sewers is carried on at these works. (3) *Island of Brocoio*, about 10 miles up the Bay, where the lime is made for disinfection. The output is about 400 to 500 tons per month. On this island are built most of the barges employed in discharging goods and carrying lime, and here they are also repaired. The Company can build barges of from 80 to 100 tons, and have a fleet of twenty barges and two steam-launches. (4) *Fazendinha da Gavea*. This is a fine property near the Gavea for pasturing the mules employed in the service.

With regard to the woollen industry, this is still in its infancy. Up to quite lately there was but one woollen factory in the country—viz., at Rio Grande do Sul—and that turned out only woollen blankets. Nowadays there are two such factories in Rio Grande do Sul, one in Rio de Janeiro, and several in São Paulo, many of them turning out some good cloth, which is used for the Brazilian Army and Navy uniforms, as well as a full line of cashmeres and flannels. How much this means to foreign manufacturers can be gleaned from the fact that, whereas in 1887 the Port of Rio de Janeiro alone received \$4,000,000 worth of manufactured woollen goods, the entire importation for the whole country in 1902 by the same port did not exceed \$900,000, and of this amount \$700,000 was for yarn to be woven in the home factories. Linen, jute, and hemp material, as well as silk manufactures, have also made progress, and the raising of the silkworm promises to become an important native industry in Brazil. I have seen several glass, ceramics, paper, and furniture factories, but the latter is of a very mediocre character, although no doubt suitable enough for the country.

Tobacco has become a very important product in Brazil, and, like the sugar-cane, it is cultivated in all the States; but the most extensive plantations are found in Pará, Minas Geraes, Rio Grande do Sul, Goyaz, and especially in Bahia, of which State it forms now practically the principal export. Brazilian figures are so unreliable that I will not trust myself to quote the statistics that have been supplied to me in regard to the annual tobacco export, but it is probably not much less than 50,000 tons at the present time. Next to tobacco, cotton is the most important cultivation of the country, and probably some 35,000 tons will have been exported for 1905. In 1902 the figures amounted to 32,137 tons, and in 1901 to 11,764 tons.

Cereals and potatoes flourish apace in Brazil, while rice is also of very fine quality, probably finer even than that of either Indo-China or Japan. I have seen Brazilian white rice growing to a height of 4 feet in some parts of São Paulo, while a black variety in the same State often reaches a height of 5 feet. The average production in São Paulo is from 70 to 75 bushels an acre. Wheat is only grown in very small quantities, and cannot compare in quality with that of the Argentine. It is strange, however, that before the latter Republic came into prominence as a wheat-producing country, it was from the State of Rio Grande do Sul that nearly all the wheat consumed in the Northern States of Brazil came.

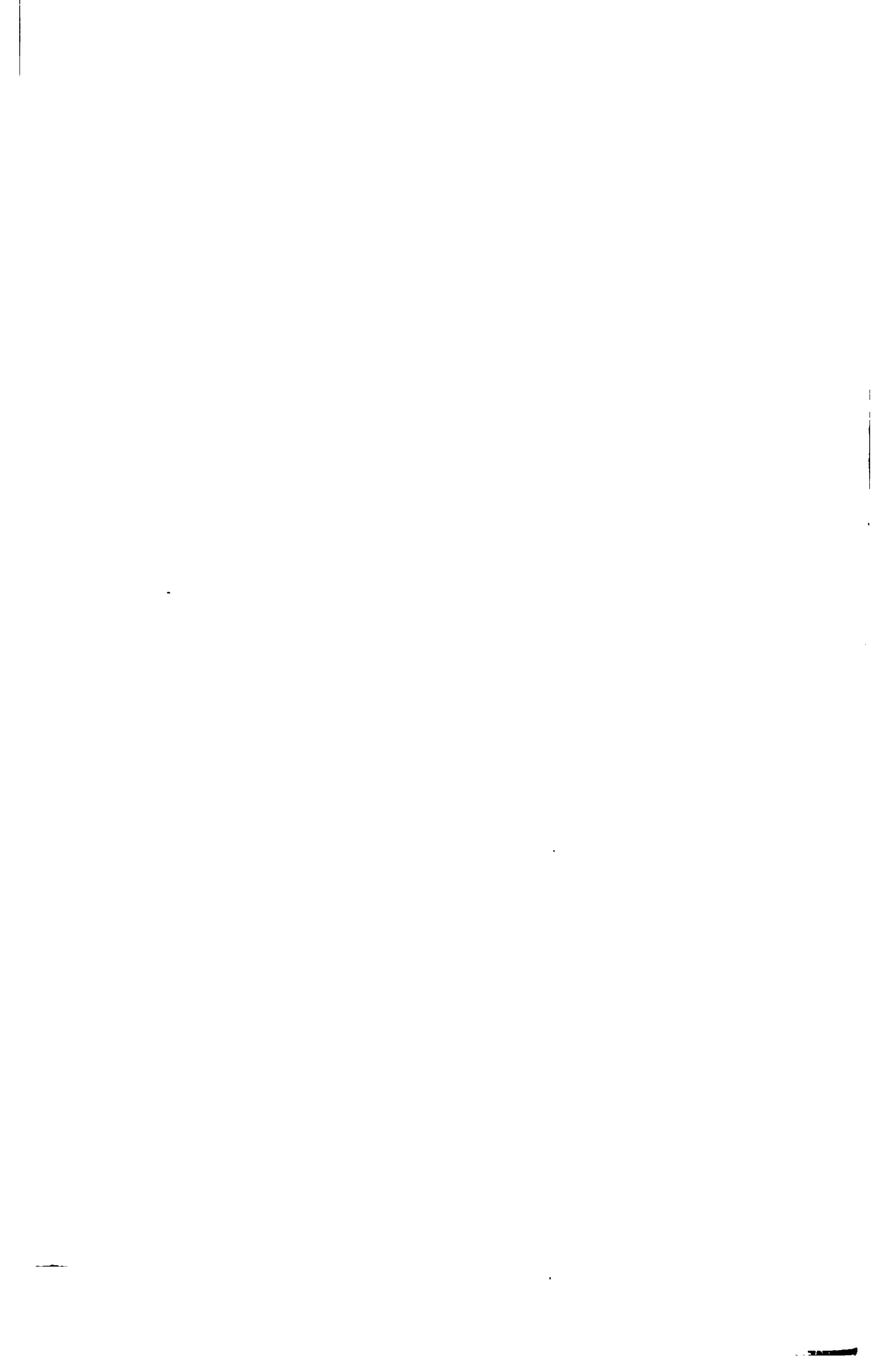
Corn is grown in very small quantities, and large supplies are imported. Owing to its tropical nature, Brazil is admirably adapted to cocoa-growing, and the States of Bahia, Pará,



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A young Coffee Plantation. Some estates have as many as 50,000 trees, there being 1800 plantations possessing between 50,000 to 100,000 trees each



Maranhão, and Espirito Santo all produce it. None is exported, however, as the national factories take all that is produced. Indigo, vanilla, piassaba, and aramina, are also grown in the States of Matto Grosso, Amazonas, and Pará.

Some of the finest grapes which I have ever seen have come from Brazil, but vine-culture is not properly understood there, and there is no business carried on in wine manufacture, nor in fresh and dried grapes. In fact, all fruits are but sparsely grown, whereas, no doubt, with a little care and attention, almost every kind of European fruit—such as apples, pears, peaches, plums, and strawberries—could be profitably cultivated.

Coffee and sugar continue to be the two principal products of Brazil, and although to-day the first-named has fallen off both in quality and price, it still forms a very important portion of the Republic's trade. During ten years the fall in the price of coffee has been in the proportion of 20 to 6. Whereas in 1897 the coffee exported from this country equalled in value \$127,000,000, in 1902, without much lessening the number of bags exported, the value fell to \$72,000,000. It is said that the coffee-planters in the State of São Paulo and elsewhere are in debt 'up to their eyes,' and unless the price of coffee rises, of which there is no immediate prospect, many of them will have to give up their estates, the mortgagees taking possession.

The principal growing estates are São Paulo, Minas Geraes, Rio de Janeiro, Espirito Santo, and, upon a smaller scale, Bahia and Ceará. In 1902 the whole world's production of coffee was 19,588,000 sacks, each of 132 pounds, of which Brazil furnished 16,246,000 sacks, the remaining 3,342,000 sacks being made up by all the other coffee-producing countries. The most important Brazilian shipping ports for coffee are Santos, which handles 10,000,000 sacks; Rio de Janeiro 5,750,000 sacks; and Bahia and Victoria the rest.

There are some who will dispute Brazil's claim to growing 'the best coffee in the world,' that merit belonging, I consider, to the famous Blue Mountain coffee of Jamaica; but the fact remains that more coffee comes from Brazil than any other part of the world, and now the Brazilians are suffering from the effects of over-production. No plantations have been extended during the last few years, and probably, as was the case in Argentina with the sugar-cane, it will be found necessary to limit the cultivation of coffee, and even to destroy part of the existing plantations.

At the end of last year (1904) Santos was carrying the immense stock of 1,750,000 bags of coffee, which at least speaks well for the resources of the commercial community of that place. The continuous rise of exchange, however, must spell ruin for these speculators in the long-run, unless things alter

materially. This can only be brought about by the weak element both in the industry and the trade being eliminated, further planting being restricted, and management expenses ruthlessly cut down. Railway freights will also have to be reduced, and expenses at the ports generally revised.

How much the continuous rise in exchange means to the handlers of Brazilian coffee is proved by the fact that for some days during a bound-up in the exchange not a single bag of coffee changed hands at Santos, no one having the pluck to either 'bull' or 'bear' prices. With a visible supply of about 14,000,000 bags on hand, the outlook is to-day doubtful in the extreme.

Coffee is sold in Brazil at so much per *arroba*,* the price ranging between \$8 and \$10 per *arroba*. Up till now the profits on the sale have been about \$4 per *arroba* and upwards, but this has been given by the 'fazendeiros'—that is to say, speculators who buy coffee at the 'fazendas' (estates)—and who often give fantastic prices.

The coffee movement at the ports of Rio de Janeiro and Santos for the month of March, 1905, compared with the same month of the previous year, was as follows:

	Rio de Janeiro.		Santos.	
	1905.	1904.	1905.	1904.
	Bags.	Bags.	Bags.	Bags.
Entries	119,569	181,108	288,005	189,648
Shipments	141,833	93,316	473,716	227,996
Sales	97,000	112,000	309,080	304,000
Daily average of entries ...	3,857	5,842	9,290	6,321
Daily average of shipments ...	4,860	4,757	15,281	7,599
Entries from July 1	2,203,828	3,475,748	6,879,531	5,815,811
Shipments from July 1	2,463,898	3,409,792	6,215,181	5,550,398
Stock on hand March 31	312,706	770,206	1,177,986	927,570

In every port of Brazil sugar is grown, or can be grown, and most of the States produce this alimentary substance with success. The principal districts, however, are Alagoas, Pernambuco, Sergipe, and Bahia. Brazil probably turns out some 5,000 tons of sugar annually, but, as in the case of coffee, the industry is proving unprofitable, and sugar may be said to have reached a crisis. This arises from several causes, first and foremost—as happened in the case of coffee—owing to the over-

* An *arroba* (dry) equals about 32'38 pounds in Brazil and 25'3171 pounds in Argentina.

production of beet-sugar ; secondly, to the inefficiency of the process and machinery utilized on most of the estates, which merely succeeds in extracting from 7 to 8 per cent. of the sugar, whereas in other countries, and with improved machinery, from 13 to 14 per cent. is secured ; and, thirdly, owing to the abolition of the sugar bounties.

The recent rapid rise in exchange has not injuriously affected the sugar industry, most of the sugar grown being disposed of locally. The exportation of sugar, moreover, is all the time diminishing, and probably less than 200,000 tons will be exported this year. Prices for export have been exceedingly low, and not sufficiently remunerative to encourage further sugar-planting. Brazil has to compete with such sugar-exporting countries as Germany, Austro-Hungary, France, Cuba, the East Indies, Holland, and Russia, while of late years Porto Rico, Peru, Argentina, and the West Indies have again come forward as serious competitors. The principal markets of the world for importing sugar are the United Kingdom, the United States, Japan, Canada, Holland, and Chile, taken in the order in which I have mentioned them. Germany, France, Russia, Austria, Belgium, and other European countries produce about 6,000,000 tons of sugar from beet, while America, Australasia, the East and West Indies, Africa, Asia, and South America produce about 3,005,000 tons from cane. Probably the sugar-exporting days of South America are nearly over.

The busy sugar months in Brazil are from January to March, but crushing goes on in some factories even later. It was in December that I had an opportunity of going over one of the biggest mills in Brazil—viz., the sugar factory belonging to the Companhia Geral Melhoramentos em Pernambuco, situated at Cucau, 68 miles from the Port of Recife. This mill crushes daily 60 waggon-loads of cane, weighing about 280 tons, and from which are produced 28 tons of sugar, although the full capacity of the mill is from 350 to 400 tons of cane *per diem*. The sugar produced is of first, second, and third qualities, three-fifths of the whole output being 'first' quality—that is to say, the white. The factory also turns out large quantities of rum, last year's yield being 1,400 pipes, one pipe equalling 500 litres.* The factory is structurally one of the finest and most admirably equipped of any I have seen, most of the machinery being French, and coming from the Five-Lille Company, which has equipped a good many of the Brazilian sugar factories. Several, however, are fitted with British-made machinery, and in my chapter on sugar cultivation in Argentina I refer to this class of machinery more fully.

* A Brazilian litre, or liter, is metric, and equals 1·0567 quarts.

In spite—or perhaps in consequence—of the large amount of money which has been expended in equipping the *Compania Geral Melhoramentos* factory, and the big capital which has been laid out, its working leaves an annual loss, and I was informed by the manager that in all probability it may have to be closed down, which would be a serious matter for the district. From what he mentioned, the great factor that would determine the closing down of the mill would be a continued rise in exchange. At that time (December, 1904) the rate of exchange was 12½d. per milreis. To-day it stands at nearly 18d. per milreis, and it is therefore more than probable that the fine mill has had to stop working. I saw certainly a round dozen other sugar-mills which had been abandoned and the surrounding estates thrown out of cultivation, arising, no doubt, from similar or other equally serious causes, since most of these factories had been crushing for export. Where sugar is sold locally the factories must necessarily benefit by the rise in exchange.

The Brazilian States are naturally keen on securing a good class of immigrant, and to do so they offer all sorts of inducements (on paper), and fulfil but few of them in fact. Undoubtedly in the past, and especially under the Monarchy, the country dealt generously and even magnanimously with European settlers. Three central sugar factories have been established, thanks to an advance of £226,000 backed by the Government, who guaranteed a 7 per cent. interest, and there is ample room for others; while handsome bounties are offered for the planting of indiarubber-trees, for dairy-farming, and for cattle-rearing. Even pisciculture and fish-drying are encouraged, and the Government have still open an offer of a 5 per cent. guarantee during five years on any sufficient amount of capital that may be employed by a fishery company. At present none exists, although one was started, which for an all-sufficient reason proved a failure. Since then no one has had the enterprise to start another.

There is a certain native fish known as the *pirarucú*, an animal about 5 feet long, and existing in abundance, which, if properly exploited, could be made to yield a substantial profit; while in the neighbourhood of Manãos a single place called Lake Hyanuary, having an area of only about 500 yards square, offers a distinct variety of something like 200 fish. This may be compared with the rivers of Europe, wherein, it is said by no less an authority than Agassiz, that from the Tagus to the Volga not more than 130 different varieties of fish are to be found.

Then there are countless fine turtle (both sea and river) for those who like them, although for my part—not being either an



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Gathering the Berry upon a Coffee Plantation at Araraquara in the State of São Paulo

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Amazonian or an Alderman—I find the flesh tough, fatty, and unpleasant to look at.

What kind of immigrant does the local Government particularly want? Well, the Britisher in particular, I am assured, but Europeans generally. Married men are preferred to single ones, but the latter are in no way less favoured. A condition of assistance is that the arrival shall remain in the country for at least three years, and shall seriously work the allotment of land given to him. For this period he must not sell it, but at the end of the time he has 'a clear and inviolable title,' of which he may freely dispose if he wishes, and always supposing that he can.

The first question which an intending arrival wants answered is, 'What will the Government do for me?' Governments as a whole, and our own may be cited as an excellent example, are not prone to do overmuch for new arrivals. As a rule they consider that they have done enough when they permit entry into the country free of payment *per capita*, and if thereafter they condescend to notice the arrival of a settler at all, it is usually to discover how much he can be made to contribute, in the form of taxation and Customs dues, to the general revenue. Compared with most methods in vogue, the attitude of the local Government towards immigrants is one of benevolent toleration.

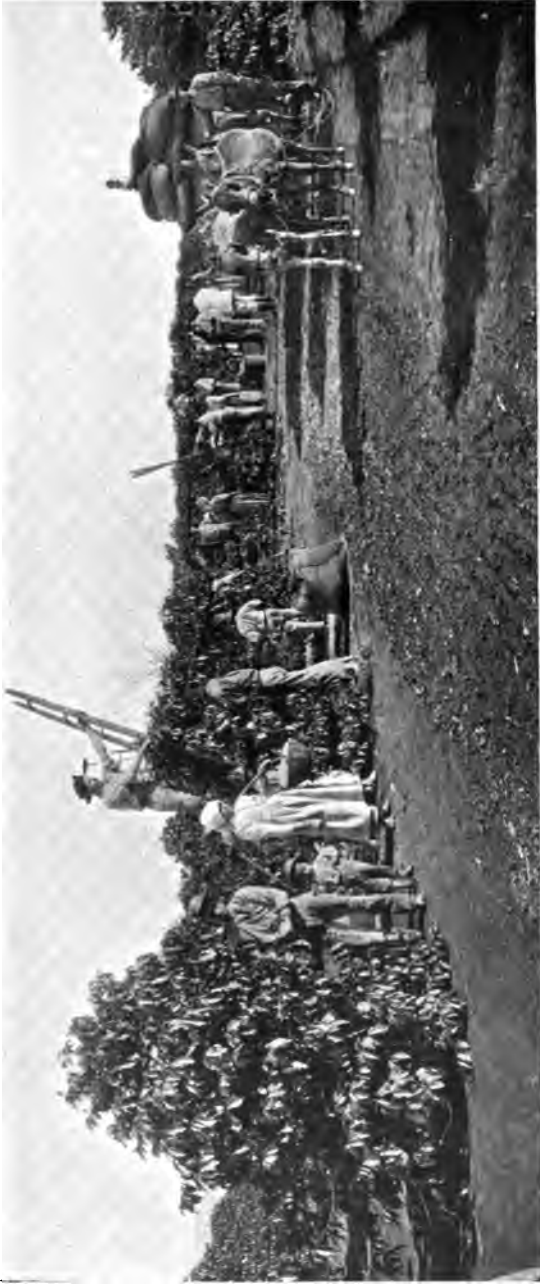
If the settler has an aptitude for agriculture, and if he is prepared to carry that natural aptitude into effect, he may find the Amazonas a 'passable' field (climatic drawbacks always being borne in mind) for his enterprise. It is agriculture in particular which the Brazilian Government is prepared to foster, and it has offered great inducements to those who will seriously undertake it. The late Emperor, Dom Pedro II., was mainly responsible for these conditions, and the present Government are, if not as generous or as enterprising, at least endorsing such conditions in part, and are even adding to them.

Bounties have been paid to farmers who can produce on the Market-Place of Manaus (the capital of the State of Amazonas, and possessing a population of about 60,000 souls) 4,000 pounds of manioc flour, 2,000 pounds of rice, or 1,200 pounds of maize, which has been actually grown in the country. Additionally, all rice, maize, manioc, tobacco, cotton, beans, flour, sugar, molasses, and sugar-cane brandy, have been declared to be free from any description of taxation for ten years, one British firm having received a bounty of £2,000 as an encouragement to start the cultivation of sugar-cane, various cereals, and the distilling of spirits from the sugar-cane.

As far back as 1875 the local Government had authorized

the loan of some £20,000 at a nominal amount of interest to farmers, one inhabitant receiving a sum of nearly £1,000 and another £500 to enable them to inaugurate a cattle-ranching business. Several smaller sums have been paid or loaned from time to time to small farmers and settlers, and, so far as my inquiries permitted me to judge, in no case had the Government imposed hard or unreasonable conditions upon the recipients.

All immigration to Brazil is voluntary, and the Government offers no subvention to immigration companies, but it maintains a lodging-house for voluntary immigrants who come to settle in the country. It gives them shelter and free transportation—but no food—to any part of the country where they want to go. There are some 300,000 Brazilians of German parentage doing very well in various colonies, about 200,000 Italians at São Paulo and district, and many Portuguese, Spaniards, Poles, and Russians scattered about the country. I may add that as recently as July of this year (1905) Count Prozov (the Russian Minister in Brazil) had been visiting the different States of this Republic with the object of finding suitable places for Russian colonists. The first of these colonies, called Nova Odessa, has just been founded in the coffee-planting district of Rio Claro. I have heard of no one ever starving in Brazil, the country being too rich in natural foodstuffs for that to happen, in addition to which the people themselves are, as a rule, kind and considerate to the stranger at their gates.



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Picking Coffee on a Plantation in the district of São Paulo

CHAPTER VII

Mining in Brazil—Taxation of mining machinery—Gold, silver, copper, and other minerals—Movements in bullion exports—Coal—Diamonds—Diamond cutting—Dredging—Monazite and thorium—A romance that led to fortune—Analysis of thoria—Beryls and tourmalines—The growing of rubber—The various grades—Prices of Brazilian and Ceylon rubber—Amazonian trade—Method of collecting and curing the juice—Life of the seringueiro—The trade of Manãos—Statistics for 1904-1905—Exportation figures—New unexplored rubber regions

SUFFICIENT is known of the mining resources of Brazil to encourage the belief that the country has a rich and busy future before it. With such an enormous tract of territory, it stands to reason that the geological formation of the country can be but little known, and so far the mining industries of the Republic have been worked under the most primitive methods only. In spite of this, promising results have been achieved; but so long as the Government insists upon imposing heavy duties and freights upon imported machinery, so long will the mining industry remain in abeyance, for Brazil is not yet in a position to manufacture its own plant. Now and again, by special favour, the Finance Minister grants exemption from the payment of duties on mining plant and machinery. This was done in the case of Mr. J. L. Fernandez Braga on behalf of the National Brazilian Mining Association, who brought a good deal of material from Liverpool. I have not heard of any similar concession being made to a British corporation or individual.

Gold has been found in the States of Minas Geraes, São Paulo, Paraná, Goyaz, Matto Grosso, and Bahia; and gold-mining has been carried on in the country for over a century with no little success.

There are several mining enterprises at present carried on in Brazil under British management and financed by British companies, such as the Brazilian Diamond and Exploration Company, Brazilian Gold Exploring Syndicate, São Bento Gold Estates, São José (Brazil) Diamonds and Carbons, etc., while a small amount—so far—of British capital has been invested in the Matto Grosso Dredging Companies formed in the Argentine Republic.

EXPORTATION OF GOLD IN INGOTS AND BULLION FOR EIGHT YEARS
FROM BRAZIL.*

Period.	Mineral.	Quantity.	Value.	Where from.
1896	Gold in ingots	1,988,527 grammes†	\$ 999,263'50	Minas Geraes
1897	" "	2,233,944 "	1,116,972'00	" "
1898	" "	3,090,205 "	1,545,102'50	" "
1899	" "	4,192,414 "	2,096,207'00	" "
1900	" "	4,304,688 "	2,152,344'00	" "
1901	" "	8,965 pounds	—	Whole of Brazil
1902	" "	7,692 "	—	" "
1903‡	Gold bullion	—	2,073,000	" "

Copper, which next to gold is the most valuable metal, is found all through the belt of 'Jurassic' sandstones, shales, and conglomerates covering the Serra de Cacapava to the extent of about 75 miles.

Silver and lead are found in the State of Bahia, and also in the States of Matto Grosso and Paraná. Tin, wolfram, and monazite have been encountered; but the ground having only been superficially examined, it is impossible to say to what depth or extent these first two minerals exist. Iron, although scarcely worked at all in Brazil up till now, exists in abundance, and in various forms of deposit. It can be found from the States of Moyaz and Matto Grosso to the State of Rio Grande do Sul. A large quantity of cast and malleable iron, as well as the finest grade of steel, has come from the Ipanema Iron Mines of São Paulo.

Coal is found in numerous formations in Brazil, and is said to exist almost everywhere along the coast from the Amazon River in the north to Rio Grande in the south. Mr. J. C. White, the American geologist, reports one coal basin to extend from the confines of Minas and São Paulo in the north to Rio Grande do Sul in the south, with a dip towards the south-west. In Rio Grande he found seams of coal of 2 metres, whilst in Santa Catharina they did not exceed

* It cannot be too often stated that statistics are most difficult to obtain in Brazil, where the officials delight to conceal them as much as possible. Even when obtainable they are mostly unreliable, and in giving my readers the above I may say that I have extracted them from various sources (which I consider the most authentic), but, as will be seen, the returns are given in some cases in 'grammes' and in others in 'pounds.' A little arithmetic, however, will put this difficulty straight. The main object in view—namely, to show the approximate amount of progress made by the Gold-mining Industry in Brazil during the last ten years—has been obtained.—AUTHOR.

† 1 gramme (Brazilian) = 15'432 grains (British).

‡ Six months.

1·30 metres. Mr. White declares the coal to be similar to the German brown coal, and to be fit for use as it comes from the mines, but recommends manufacture into briquettes.

Diamonds have been known in Brazil for over a hundred years, and at one time Brazilian diamonds were considered to be the purest in the world. This, however, was before the discovery of the De Beers diamond-fields, which to-day hold the premier position in the market. In fact, it was owing to the discoveries at the Cape that the Brazilian output of diamonds was considerably diminished. Probably the State of Minas Geraes is the richest in this respect, diamonds being found there in quaternary alluvial deposits. The diamond-fields of Bahia are well known, and several British and American Companies are in operation there. Some of the stones which I have seen from Bahia are very small, and one would say they were scarcely worth the expense of working. At a place called Salobaro some of the purest stones in the world, however, have been found.

So far Brazil has not produced many large diamonds; but among the biggest may be mentioned the 'Star of the South,' weighing 254·5 carats in the rough and 125·5 carats when cut. The 'Star of the South' was discovered in 1853, at a place called Bagagem, and four years afterwards the famous 'Dresden diamond' was found in the same place. This weighed 117·5 carats in the rough and 63·5 carats when cut. The price realized for the two stones was \$300,000, the purchaser being an Indian Prince.

Whereas formerly all the stones were exported from the country in the rough, they are to-day being cut in the country. There are some twenty lapidaries, who employ about 150 workmen, and they cut 460 carats of diamonds per month, at a cost of 3 dollars (about 13s. 6d.) per carat. The diamond-cutting industry has been established in Brazil for a great many years, and the Brazilians rather pride themselves upon the superior work of their lapidaries. Diamond dealers in Hatton Garden well know the stones and the work of the cutters from Minas Geraes, Bahia, and Rio. Cut stones have not infrequently been sent out to Rio de Janeiro for recutting according to Brazilian methods. The cutting works of Messrs. A. Ferreira Bros. have been established at Rio since 1850, and many British jewellers have sent them stones to cut afresh.

The total value of diamonds exported from Brazil last year amounted to over \$1,000,000—say, £52,500. Two new Companies were formed in London—viz., the Brazilian Diamond Exploration Company, Limited, with a capital of £225,000, which now works in Bahia; and the Brazilian Diamond Fields Corporation, Limited, with a capital of £150,000, to work in Minas

Geraes. Another concern which is tempting Providence is the São José Diamonds and Carbons (Brazil), Limited. It has a nominal capital of £100,000, of which no less than £71,000 is provided for working capital. The Company will probably require it all.

The number of Diamond Exploration Companies which have been formed to search for stones in Brazil is considerable, but the great majority of them seem to have been exceedingly unfortunate.

Petroleum undoubtedly exists in Brazil, and Mr. White, the American geologist already mentioned, who was some time in the country, has expressed the opinion that oil exists in sufficient quantities for 'all requirements of the Republic.'

One of the greatest drawbacks to mining in Brazil is the immense amount of litigation which is thrust upon Companies and individuals by reason of the complex and confusing mining laws of the country. Not before it was wanted, a Committee has been sitting to consider the conditions of the whole mining industry of the Republic. Mining laws seem to have been passed in a desperate hurry, without due consideration as to the rights of owners, one fruitful cause of trouble being the transfer of the ownership of the subsoil from the State to the owner of the land. Under the Brazilian law of succession, this entails the subdivision of mineral together with surface rights amongst innumerable heirs, and brings an inheritance of interminable disputes, with consequently much litigation as to ownership. It can therefore be understood that a clear and indisputable title to any mining property is almost impossible to secure. An instance of this may be given in regard to the São Juan del Rey Company, Limited, a British concern. One of their mines, the Cuyabá, has, after undisputed possession for twenty-seven years, suddenly been claimed by someone, and no doubt costly litigation will have to be entered upon.

Dr. J. P. Callogeras, one of the Minas Deputies to Congress, declares that the mining industry at present is suffering from depression, 'because no one cares to invest in law-suits, and so the mines lie idle and unworked, a burden to their owners and a reproach to Brazilian legislation.'

Of late years, and especially within the last twelve months, a great deal of attention has been given both by the Brazilians and the Argentinos to the river-dredging claims. An enormous amount of rank and senseless speculation has gone on in the Argentine in regard to this, prices being rushed up to between 300 and 400 per cent. per annum, and without, so far, a shilling's worth of gold having been recovered. This much, however, may be said for the dredging industry: there can be no question as to the titles, which are derived from the Government, and may therefore be relied upon.



INDUSTRIAL BRAZIL

Drying Coffee upon an Estate in São Paulo

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There is often a great deal of romance in mining (many may have found it not altogether free from tragedy also), and perhaps nothing more romantic than the discovery of monazite in Brazil has been related, and is reminiscent of the first discovery of guano. The discoverer was the lucky Mr. John Gordon, an Englishman (or perhaps a Scotchman?), who, while walking disconsolately one day upon the sands at Bahia, waiting for a boat to take him to his steamer, noticed the extreme heaviness of the sand, which clung to his boots and almost weighed him down. Filling his pockets with some of the substance, he took it home with him, and, upon analysis, found it contained monazite, rich in *thorium*. This material, I may hardly remind my readers, is an extremely rare mineral used in the manufacture of incandescent mantles for the Auer gas-light. Up till the time of the discovery in Brazil all the supplies of *thorium* came from Norway. About 4,000 tons are used annually.

Mr. Gordon found he had kicked against a fortune, and he has been enabled to retire into private life in the prime of his years, a rich man.

Since the time he made his first discovery, and before the Brazilian Government knew anything of its value, and therefore could not impose the heavy export duties which it has since levied, monazitic sands have been found elsewhere in the Republic, and now fresh and more severe regulations governing the exportation of these sands are in force. The mineral has been found along the banks of some rivers as well as on the sea-coast, and so far explorations have taken place at—besides Bahia—Alcobaça, Prado, Porto Seguro, and in the State of Espirito Santo, at places called Barra de São Matteus, Guarapary, and Beneventes. The whole deposits known in Bahia scarcely cover an area of 4 miles, while those of Espirito Santo cover less than 2 miles. The cost of working the sand is very small indeed, and the profits, as Mr. Gordon found, were formerly very large. Nowadays the tax put on by the Government has very much altered this position.

The following analysis of a sample of monazitic sand—not a characteristic one, however, because of the percentage of *thorium* being far below the average—is quoted to show the general composition of the mineral only :

	Per Cent.		Per Cent.
Corium oxide ...	32·92	Alumina oxide ...	1·62
Didymium oxide } ...	7·93	Lime oxide ...	1·20
Lanthanum oxide }		Tantalum acid ...	0·66
Zirconium oxide }	13·98	Titanic acid ...	4·67
Vitrium oxide }		Phosphoric acid ...	18·38
Thorium oxide ...	1·48	Silicic acid ...	6·40
Glucinium oxide ...	1·25	Loss and not determined	7·72
Lead oxide ...	Traces.		
Iron oxide ...	1·83		100·00

Other Brazilian mining interests include that which has lately been manifested in the mining of beryls and tourmalines in the province of Minas Geraes, where a number of blue and green beryls have been obtained. The State Government of Minas exact a tax of 12 milreis per unit on tourmalines. One of the green beryls found was a crystal that weighed 18½ pounds—more than twice the weight of the great beryl in the Imperial Berg Academy Mining School at St. Petersburg, Russia, which is valued at £650. During 1903 a remarkable discovery of blue beryls was made near Rio de Janeiro.

An English capitalist has also recently obtained from the Brazilian State of Goaz a concession for working gold-mines in the valley of the River Tocantins, a contributory to the Amazon.

Although rubber has been known to the scientific world since 1745, when its existence was reported to the Académie de Science in Paris by the Astronomer De la Condamine on his return from South America, it is only within the past twenty years, and more particularly within the past five, that the true value and utility of the substance taken from the Brazilian tree (*Siphonia elastica*) has come to be appreciated. So far, Brazil has stood pre-eminent both in the quality and the quantity of the rubber which it yields; but it is impossible to blink the fact that growers in other parts of the world, inspired by the vast wealth which is accruing to the South American Republic, are anxiously experimenting with the rubber-tree, notably in Ceylon, where the conditions seem to be practically the same, so far as climate and soil are concerned, as those existing in Brazil (see p. 224).

Thanks to the impetus given by the Americans, the prices of Pará rubber have mounted rapidly, and now stand at something like 5s. 9d. per pound, although, by the time this book is in the hands of my readers it may very easily have passed beyond that figure. Of course, there is rubber *and* rubber, and in quoting the price 'at 5s. 9d. per pound,' this must not be supposed to include every class of rubber grown. There are the following distinctive qualities :

Fine Pará rubber.
Medium fine.

Sernamby (Negrohead).
Caucho.

A considerable quantity of rubber comes from the neighbouring Republics, notably Peru, passing purposely through Manãos so as to secure the value of that particular town's reputation, Manãos rubber being the best of all qualities. The following rivers are those from which the genuine Amazonian rubber is collected: Perus, Juruá, Madeira, Javairy (Brazilian side), Solimões, Negro, Jutahy, and Amazonas.

The manner in which *Manãos* rubber is treated is perhaps its worst feature, the method being as barbarous as it is antiquated. The marvel is that with so much wealth at their doors the Brazilians have not yet learned to make the most of the opportunities of still further increasing it.

Formerly the *arrócho* method of treating the rubber was rather worse than that of the *tigelinhas*, which is now in use. The *seringueiro* (workman) is usually a most miserable, hungry-looking, and underpaid individual, whose hours of slavery are terribly long and extremely arduous. Long before the sun rises he has to leave his hut, carrying the heavy implements of his trade, which include, besides the ordinary cooking apparatus for himself, numerous cumbersome tools. Having carefully studied the ground and singled out the rubber-bearing trees (which seldom or never grow together but are distributed over a vast area), the *seringueiro* proceeds to cut, by means of an axe or *machadinha*, a number of small incisions in the trunk of the tree, about 1 inch in length, and under each cutting he fixes, by means of some plastic clay, a small tin goblet or cup. In a few hours these cups are nearly full of the flowing white, viscous juice. They are then removed, and their contents poured into a pail. The *seringueiro*, when his pail is fairly full, carries it to his hut, where it is 'smoked' in a kind of reverberatory oven, the process creating a terrible stench. After cooking for a short time, the milk assumes the form of a thick, dirty-looking, but really pure, cream.

Inserting a large wooden spatula, he commences to form the nucleus of the indiarubber pellets, which eventually resemble huge black cheeses. The liquid part of the mixture quickly evaporates, and thus successive layers form one on another around the spatula. When he has amassed sufficient, the *seringueiro* cuts the ball of rubber at the top with the moistened blade of a knife, taps it smartly so as to remove the spatula, and is thus left with a thick mass of coagulated rubber. This he exposes for a considerable time to the sun, which dries it a deep violet-black colour.

It is only some of the trees which can be tapped as I have described, others having to be entirely cut down, and the sap collected from them through a pipe. Rubber collected like this is known as 'Caucho,' the most inferior kind of all, but, nevertheless, very largely dealt in.

Although several patents have been taken out for the preparation of rubber, none seem to have survived, and the old process of treatment, as I have said, still remains in vogue. In course of treatment the Amazon rubber loses about 12 per cent., but the loss in all other kinds of rubber varies between 17 per cent. to 35 per cent. The cured material is exported either in

leaves or in the form of large, irregular-shaped balls, extremely heavy to handle, and worth anything from £10 to £30 each. Amazonian rubber always secures a higher price than that of any other description, or it would be more correct to say it has done so up till lately; but the following comparative figures of Ceylon and Brazilian-grown rubber are instructive:

CEYLON PARÁ RUBBER.				BRAZILIAN PARÁ RUBBER.			
			Per lb.				Per lb.
May, 1903	...	...	4s. 3d.	May, 1903	...	...	3s. 10½d.
" 1904	...	...	5s. 2½d.	" 1904	...	...	4s. 10½d.
September, 1903	...	...	4s. 8½d.	September, 1903	...	...	4s. 3½d.
" 1904	...	...	5s. 4½d.	" 1904	...	...	4s. 9d.
March, 1905	...	...	6s. 7d.	March, 1905	...	...	5s. 9d.

The man who makes most money in rubber-growing is probably the proprietor of the ground or the lessee. He is a terrible sweater, and grinds the unfortunate *seringueiros* mercilessly. He builds their huts and dwellings, and transports them at his own cost to the *Seringal*, where they work the trees and extract the sap, nominally keeping for themselves '50 per cent. of the rubber collected.' I say nominally advisedly, because the truck system is in force here in its worst form. The employer of *seringueiro* labour insists upon supplying his workmen with all their requirements, such as clothes, boots, food, drink, etc.—especially drink—and sells all these *bien entendu* at his own price. By the time the unfortunate workmen have paid for their luxuries, or, rather, owe for them, combined with the system of fines and other impositions, their '50 per cent.' has dwindled considerably. The harsh taskmaster makes between 75 per cent. and 85 per cent. net out of the transaction, which cannot be regarded as a bad investment for him.

In *Manãos* all rubber business is done for cash. The proprietor comes down the river with his cargo of rubber; it is classed according to the four recognised categories already mentioned; it is then weighed and paid for in cash. With this money in hand he defrays his indebtedness (more or less) to his workmen, who at the end of the season are almost dead from exhaustion and malaria, and are far from being in a position to enter into disputes with their rapacious employer. It is black slavery *in excelsis*; and in the old plantation days the unfortunate serfs probably suffered less than do the modern free labourers in Brazil.

The handling of rubber at *Manãos* and *Pará* is mainly in the hands of foreigners, two firms, named *Cmok*, *Schrader* and *Company* and *A. H. Alden*, being by far the greatest exporters. The following figures, which show the increase in the exports

to Europe and the United States for two years, from 1903 to 1904, and from 1904 to 1905 (July 1st) are interesting :

RUBBER STATISTICS FOR THE WHOLE OF BRAZIL.

		1903.	1904.	1903.	1904.
Rubber exported	...	Kilos. 31,712,288	Kilos. 31,863,491	℥ 9,733,041	℥ 11,219,393

TO EUROPE.

		Fine.	Entrefine.	Sernamby.	Caucho.	Total.
From Manãos	...	3,248,299	494,756	746,938	1,895,105	6,385,098
.. Pará ...	...	4,690,981	448,883	1,503,627	1,168,583	7,812,074
.. Iquitos	...	576,103	369,015	308,157	826,162	2,079,437
.. Serpa ...	...	3,446	—	1,237	449	5,132
		8,518,829	1,312,654	2,559,959	3,890,299	16,281,741

TO UNITED STATES OF AMERICA.

		Fine.	Entrefine.	Sernamby.	Caucho.	Total.	Grand Total for 1904-1905.
From Manãos		4,557,509	1,009,850	1,326,300	1,187,499	8,081,158	14,466,256
.. Pará ...		3,554,680	706,551	4,012,975	419,432	8,693,629	16,505,703
.. Iquitos		19,412	169	18,184	5,144	49,909	2,122,346
.. Serpa...		418	—	539	—	957	6,089
		8,132,019	1,716,570	5,357,998	1,612,066	16,818,653	33,100,394

There are still many huge tracts of forest-land hitherto unexplored, such as those of Matto Grosso, in the valley of the Guaporé, and which no doubt contain thousands of rubber-trees. Additionally, there is the fabulously rich but deadly territory of the Acre, ceded to Brazil by Bolivia, and which teems with rubber-trees in their prime.

CHAPTER VIII

Exchange and its relation to commerce and trade—Dr. Rodriguez Alves, Finance Minister, on the subject—Mr. (Viscount) Goschen confuted—The highest and lowest figures of Brazilian Exchange—Chairman of the London and Brazilian Bank on the evils of a high Exchange—Table of rises and falls in Exchange—German investments in Brazil—State loans and the investing public—The Federal Government's position—Rothschilds and Brazilian loans—Alienation of loans for public works—The Finance Minister utters a warning—Table of Brazilian indebtedness

IN spite of the great importance which the question of exchange bears to the affairs of any country which is burdened with an inconvertible currency, especially like that of Brazil, the fact remains that no two people look at it in precisely the same light. The most contradictory opinions and theories exist, and it is difficult to reconcile one idea with another.

In the meantime the most violent oscillations go on in the currency of the country, and no one, least of all the Minister of Finance, apparently knows from day to day what the upshot will be.

Exchange, as quoted in Brazil, consists of two distinct elements, each of which has a direct influence upon the value of the currency. One is the Real, or international, Exchange, which corresponds to the variations of international payments; and the other Nominal Exchange, which varies with the ratio of the supply to the demand for the circulating medium.

Dr. Rodriguez Alves, now President of Brazil, but formerly Minister of Finance, in his Annual Report of 1894, said: 'Those who, like Mr. Goschen, teach that Exchange is a barometer that indicates unerringly the state of the money market, the solidity of credit, the rate of discount, and the comparative condition of the currency in different countries, will find some difficulty in applying their rules to the markets of this country. We observe, what is, moreover, the rule, local quotations of securities well maintained and foreign quotations rising, with fair sales for export, and withal exchange falling.'

What remains perfectly clear, even to the uninitiated, is that, whenever Exchange rises in Brazil, it means great hardships for those who are paid in Brazilian monies—such, for instance, as the host of bank clerks and commercial employees who go out to Brazil under contract at salaries computed in English

sovereigns. All the explanation in the world will not get rid of that fact, and it is mainly from that point of view that Britishers will look at it.

It is equally a fact, as the President of Brazil himself has stated, that the rise or fall in the rate of exchange does not necessarily mean the prosperity or the depression of the country's trade. Neither does the country itself reap any advantage in the main, since, owing to exchange, prices can prove really ruinous to the country, excepting, perhaps, for rubber, which occupies a privileged position. Neither is exchange likely to decline so long as the enormous amount of paper-money remains in circulation. The present financial condition of Brazil is an extremely difficult one, and the higher the exchange rises, the more these difficulties augment. On the other hand, immediately exchange is allowed to drop, all the advantages which have accrued from the foreign capital raised will be lost. If it be maintained (and there is only one way of doing that legitimately—viz., by restricting further currency) a new crop of failures and strikes will become inevitable. The question therefore arises, 'How are these two evils to be avoided?' The answer is, 'By reducing taxation, and the converting of dishonest officials into honest ones.'

Brazilian Exchange has been as low as 5½d. and as high as 28½d., or 1½d. over par. The original par of Exchange was 67½d. in 1808, when Dom João VI. came to Brazil. During the reign of Dom Pedro I., in 1830, exchange fell to 18d., and then in 1833 we find that exchange mounted to 43½d., while again, in 1846, it fell to 27d. Then, during the reign of Dom Pedro II., it fell still further to 14d., and even lower. In December, 1904, Exchange stood at 12d., whereas to-day it is nearly 18d. For eighty-one years of Monarchical régime—that is to say, from 1808 to 1889—Exchange bobbed up and down as much as it has done under the Republic.

Speaking to the shareholders of the London and Brazilian Bank at their last meeting (April, 1905), the chairman, Mr. John Beaton, who has had over twenty years' experience as Managing Director of that bank, said :

'I wish to explain the disturbing effect of a sudden rise in the Exchange on the trade of that country, and I cannot do better than read you an extract from a letter from Brazil, written when Exchange had advanced to 14d. : "The big rise in Exchange is very seriously interfering with all business. Importers who are holding large stocks, paid for at much lower rates, are unable to sell at to-day's prices without heavy loss. On the other hand, coffee is worth relatively less—say, 14 per cent. to 15 per cent." The effect of the sudden rise in the Exchange is tersely and graphically described by the writer ; but since the date of his letter Exchange has risen to 16½d., or a further 19 per cent. For over two years Exchange was maintained at 12d., more or less, to the great advantage of the country's trade and production—a steady

Exchange being the great desideratum ; but the quick advance to 16½d. has changed all that, and the burning question of to-day in Brazil is, What is to be the future ruling of Exchange? It is a very difficult question to answer, inasmuch as the recent advance is very likely the legitimate result of the drawings against the numerous States, and municipal loans and bonds issued and placed in Europe during the last six months. If this is so, then it seems only reasonable to expect, on the completion of these drawings, estimated at between £7,000,000 and £8,000,000, that the rate of Exchange should once again be governed or regulated by the balance of trade, or, in other words, by the supply of sterling produce bills and the demand for sterling remittances.'

The great drawback to commercial prosperity of an abiding character between the various South American Republics is the difference in their monetary units, both gold, silver, nickel, copper, and paper money, convertible and inconvertible, being in circulation. While Argentina has a gold dollar exchangeable for a paper dollar at a depreciation of 56 cents in the dollar, Uruguay has a solid gold dollar, which is equivalent to its paper dollars (there are only a few bank-paper notes in circulation) and never fluctuates; while Brazil has the gold milreis and an inconvertible paper-money which fluctuates violently. Chile has a dollar worth 18d., and the inconvertible paper dollar, which also varies; but in Venezuela all values are based and computed on gold. Much might be written in regard to the influence of currency upon commerce generally, as well as its effect upon the exports and imports of other countries, but this would necessitate a special volume, and even then I doubt very much whether the subject could be exhausted.

The following table of rises and falls in the rate of Exchange in Brazil for a period of eighty-two years may prove instructive :

Period.	Rate.	Rise and Fall.	Fall.	Rise.
1808	67½d.	...	...	...
1833	43½d.	...	...	...
1846	27d.	...	...	...
1860-1864	...	From 25d. to 27½d.	...	...
1865-1869	...	...	27d.* to 14d.	14d. to 27d.
1870-1875	...	...	...	...*
1876-1883	...	...	27d.* to 17½d.	17½d. to 27d.
1886-1889	...	...	...	...*
1890-1894	...	...	27d.* to 9d.	...

* 27d.=par since A.D. 1808.

Up to the end of 1902 the total indebtedness of the country, including Federal and State loans funded and floated in gold and currency, amounted to £125,075,163. This was when Exchange stood at 12d., but when Exchange rose to 16d. the amount immediately increased to £140,911,607. Should Exchange ever go to par (27d.), as the Minister of Finance assured



RAILWAYS OF BRAZIL,

View taken from the Station at Natal on the Great Western Railway of Brazil



me it would, the debt of the country would be automatically raised to the gigantic figure of £184,459,645. This, for a country like Brazil, even with its great resources, would be preposterous.

The tendency of the States of Brazil to borrow abroad and substitute internal currency debt for foreign obligations in gold is on the increase, and cannot be too severely condemned. It is not only in Brazil that this sort of thing is going on, for Argentina, with its numerous Municipal loans, is an equally serious offender. During the last few months, comparatively speaking, new loans have been raised by the State of São Paulo for £1,000,000, by the State of Pará for £1,500,000, and by the State of Bahia for £1,614,000, while now the State of Minas Geraes is on the look-out for a loan of about £150,000, which may be considered extremely modest. The Federal Government has also recently borrowed £3,000,000, the balance of a total amount of £8,500,000 which has been lent by the London Stock-market. There is little to be said against the São Paulo Loan, inasmuch as this State has not, nor ever has had, any internal debt to speak of, and the whole of its debt in 1902 only absorbed 17·3 per cent. of its annual revenue. I have also little to say either against the loan for Pará, which acted very shrewdly in wiping out the whole of its internal debt when Exchange stood between 11d. and 12d., so that the Government service of its debt has been materially reduced, and it is now enjoying a splendid and increasing revenue from rubber exportations.

In reference to Bahia, however, things have been very different. According to the figures given in the prospectus of the Bahia State Loan, the following state of affairs is shown :

	1902.		1903.
Expenditure of the State	£597,552	...	£598,586
Revenue from all sources	520,856	...	469,156
	<hr/>	...	<hr/>
Deficit	£76,696	...	£129,430

This would indicate that the total deficit for two years is £206,126. As nothing is said about the deficit for 1904, it may be assumed that it is not less than that of 1903, and this would add another £129,430, making the total deficit to date £335,556. These deficits are now about to be increased by the interest payable on the present loan—viz., £55,560 per annum.

It is not quite comprehensible why the genuine investing public should regard the Brazilian Loans as favourably as they do. Possibly the glamour of the name of 'Rothschild' may have something to do with the fact; and it may be assumed that the shrewd gentlemen of New Court do not part with the valuable asset of their distinguished patronage and the

ægis of their name for nothing—or even a little! The infallibility of the House of Rothschild suffered a severe blow when the Burma Ruby Mines episode took place. Unless I am very much mistaken, still further disenchantment will ensue in the future in connection with their devoted fathering of the last Brazilian Loans.

The greatest safeguard which lenders to Brazil have at the present moment is the honesty of the Finance Minister, Dr. Bullöes. So long as he remains at the Finance Bureau no question of the due observance of the nation's indebtedness can arise. But I should hesitate to answer for his successor—when he arrives. As it is, all sorts of charges of corruption, untruthfulness, and dishonesty have been levelled against Dr. Bullöes, mainly emanating from individuals who have tried to get the better of him and failed. But he is as honourable a man as ever occupied the office of Finance Minister, and I am sorry that there are so very few like him in Brazil to-day.

In 1889, when the Republic was introduced, Brazilian bonds were down to 50. A multitude of causes may be cited for this, but the principal one no doubt was the little faith reposed in the stability of the Republic and the integrity of its Ministers. The first-named reason, as things have turned out, was baseless enough; the second has been already, and may be again, justified. Payment of interest was suspended by means of the stale and dishonourable dodge known as a 'funding loan,' which meant paying interest for a period in greatly depreciated paper instead of in gold. This sort of thing continued for some years, to the serious loss of investors. Payment in gold was resumed only in 1901.

The question of alienating the funds raised for a specific purpose never mentioned in the original prospectus is another equally important one. To raise £8,500,000 for the purpose of building 'Docks, Harbour, and a Port,' which would, in the ordinary course of events, prove reproductive and remunerative, is one thing; to use that same money to construct ornamental Avenues, public parks, and gorgeous terraces, which can never bring in a penny of revenue, is quite another. And yet this is what the Federal Government has countenanced, and, in conjunction with the Municipality of Rio de Janeiro, has allowed to be done. What becomes of the sanctity of a Government's pledges as set forth in a prospectus under these circumstances?

As recently as July last the balance of the amount of £8,500,000—namely, £3,000,000—was issued by Messrs. N. M. Rothschild and Sons; but who can say that this sum, any more than the previous amount of £5,500,000, will be devoted to the 'Docks, Harbour, and Port' of Rio de Janeiro? What is to prevent it from being handed over to the irresponsible

Municipality of Rio and expended in further unnecessary city embellishments, which will not bring in a cent of revenue to anyone except to the contractors and their allies on the Municipality?

German investors have had some reason to distrust the good faith of the Brazilian State Governments so far as public loans are concerned. It was German capital which built the Western Minas Railway, and witness their bonds to-day. Wisdom does not appear to have come to our Teutonic neighbours, however, since they have again lent the sum of £3,800,000 to the São Paulo Government, and have been congratulating themselves that it was their and not the British money market that 'secured' the loan. They are fully welcome to all the satisfaction which they can derive from this reflection.

The Germans are still coquetting with other Brazilian State Governments for further loans, and unless the Federal Government can interfere by new legislation (as the laws stand to-day they can do nothing), the State Governments promise to make things lively with their borrowings, laying up a store of defalcations and repudiations for a coming day.

The Minister of Finance (Dr. Bullões) mentioned to me last December (1904), in the course of conversation, that the Federal Government viewed with considerable dissatisfaction and some alarm the manner in which the States were piling up obligations, and he said that he could not too emphatically advise foreign lenders and creditors that 'the Federal Government denied all responsibility.' This his excellency asked me particularly to put before British investors; and I therefore do so. I also note that in his last address to Congress the President of the Republic dwelt upon the need for 'a clearer definition of the relations between the States and the Federal Government, and for fixing the responsibility in regard to the Loans recently contracted.'

TABLE OF BRAZILIAN INDEBTEDNESS TO END OF 1904.*

STATES AND CAPITAL.	FUNDED DEBT.		TOTAL FUNDED DEBT, INTERNAL AND FOREIGN.	FLOATING DEBT.	TOTAL DEBT, INTERNAL AND FOREIGN, FUNDED AND FLOATING.
	INTERNAL.	FOREIGN.			
	Currency.	Gold. Equivalent in Currency at 25% Premium.			
Minas Geraes ...	30,513,800\$000	£ 43,900	78,764,560\$000	29,701,032\$000	108,465,593\$000
Capital (Rio de Janeiro) ...	33,530,895\$000	Fr. 59,594,000	48,250,760\$000	4,109,269\$000	46,832,324\$000
São Paulo ...	1,661,000\$000	£ 459,668	9,192,160\$000	42,723,055\$000	44,221,103\$000
Bahia ...	8,979,100\$000	£ 1,826,300	36,526,000\$000	6,023,103\$000	43,475,065\$000
Rio de Janeiro (State) ...	21,117,600\$000	Gold 9,796,918\$	22,043,105\$000	12,452,900\$000	34,644,302\$000
Amazonas ...	15,998,000\$000	£ —	12,639,300\$000	13,526,702\$000	31,106,112\$000
Pernambuco ...	27,209,974\$000	£ —	29,000,000\$000	2,468,823\$000	29,072,732\$000
Pará ...	—	£ 1,450,000	14,000,000\$000	1,862,758\$000	29,000,000\$000
Espirito Santo ...	1,687,400\$000	Fr. 700,000	15,687,400\$000	1,520,250\$000	17,207,650\$000
Paraná ...	2,621,896\$000	£ —	2,621,896\$000	3,000,000\$000	5,621,896\$000
Santa Catharina ...	3,659,576\$000	£ —	3,659,576\$000	740,568\$000	4,400,144\$000
Rio Grande do Sul ...	2,885,250\$000	£ —	2,885,250\$000	300,000\$000	3,185,250\$000
Matto Grosso ...	2,085,093\$000	£ —	2,085,093\$000	722,818\$000	2,807,911\$000
Maranhão ...	1,229,600\$000	£ —	1,229,600\$000	—	1,229,600\$000
Parahyba do Norte ...	627,700\$000	£ —	627,700\$000	299,359\$000	927,059\$000
Alagoas ...	665,600\$000	£ —	665,600\$000	—	665,600\$000
Rio Grande do Norte ...	271,693\$000	£ —	271,693\$000	274,736\$000	546,429\$000
Ceará ...	28,300\$000	£ —	28,300\$000	394,680\$000	422,980\$000
Sergipe ...	168,000\$000	£ —	168,000\$000	—	168,000\$000
Total for the States ...	154,490,477\$000	£ 8,582,564	326,591,762\$000	77,396,999\$000	403,988,761\$000
" " Union ...	598,743,287\$000	£ 65,918,121	1,917,105,706\$000	180,408,805\$000	2,097,514,511\$000
Grand Total ...	753,683,764\$000	£ 74,500,685	2,243,697,468\$000	257,805,804\$000	2,501,503,272\$000

The grand total amounts to \$2,501,503,272, or £725,075,163, and of this £20,199,438 correspond to the States and £104,875,725 to the Federal Government.
 * The above figures, with some slight alteration, appeared in the *Brazilian Review*, and as they are compiled by the Director of Government Statistics they may be accepted as reliable so far as they go.—AUTHOR.

CHAPTER IX

Law and crime in Brazil—Robberies from the public funds—A juryman's price for acquittal—Some recent robberies from Government departments—A Brazilian journalist's severe criticism—Municipal manipulation of State funds—A serious charge against the Prefect of Rio de Janeiro—Civil debts and their recovery—A Judge and his eviction from court—Criminals as policemen—The Brazilian guardian of the peace—His occasional fate—Educational establishments—Asylums and hospitals—Brazilian mixed marriages

SIR ROBERT WALPOLE is credited with the political axiom that 'All men have their price,' and assuredly, had he known anything of Brazil and Brazilians, he would have had ample justification for the remark. Justice is bought and paid for in Brazil precisely the same as any merchantable commodity. There is even a market tariff for the favour of jurymen, and when I was last in Brazil the price had gone up to £250 per man. The occasion upon which the tariff was adjusted was the trial of a Government official—a Postmaster at a big centre—for stealing \$150,000, equal at that time to about £7,500. He did not embezzle it—he simply *stole* it from the safe and then disappeared. Speedily he was found and arrested, but his wife had the money carefully stowed away, and used a portion of it to secure her husband's acquittal, as was originally intended.

After many months the man came to trial. The jury were carefully selected—the Judge also. Each 'good man and true' received £250, and the Judge was considerably dealt with. Thus, while there was no more question about the prisoner's guilt than there was about the nose upon his face, he was 'honourably acquitted.' It cost him nearly £4,000 of his plunder, but still he came off £3,000 to the good, and no doubt by this time he has secured another Government billet.

Murderers are seldom convicted. The rate of remuneration to the jury is much smaller in these cases, for the spirit of commiseration and the knowledge that they never can tell when their own time may come renders bribery in these cases only moderate. A self-confessed murderer who was being tried in Manãos when I was sojourning there was acquitted. The jury refused to accept his plea of guilty, and the Judge agreed

with them. The prisoner was a soldier in the Garrison, and met and deliberately shot an enemy belonging to another regiment, but who at the time was quite unarmed. The murderer fired five bullets into him, and left him lying on the ground. The result I have told.

In writing of the latter-day history of some South American Republics one is irresistibly reminded of Voltaire's statement in his 'L'Ingénu': 'L'histoire n'est que le tableau des crimes et des malheurs.' This is especially true of Brazil. Apart from the many cases of murder, rape, and robbery by violence—cases which are probably more numerous than in any other country of the world, civilized or uncivilized—the number of robberies from the public funds is simply appalling. I will mention content myself with mentioning those of which I know personally. I give these details from a Rio de Janeiro newspaper owned and edited by a Government employee, who may be reckoned upon not to have drawn too largely upon his strong bow for fear of reprisals. He writes as follows, heading his article 'More Robbery':

'On the 28th ult. one of the cashiers at the Treasury wrapped 330,000\$ had received for payments in a newspaper, put it under his arm, and coolly walked into the street and disappeared! The wonder is not so much the even with a record of twenty years' irreproachable service he should have acted, but rather that, with 20,000,000\$ at his mercy, he should have been contented with so little. Impunity breeds contempt; and if there is anything left in the Treasury at all it is a proof that after all there are more honest men than there might be. *A Notícia* gives the following list of robberies in Government offices since 1896:

At the Central Railway, 1896	...	...	...	6,700,000\$000
"	"	1897	...	450,000\$000
"	"	1900	...	25,000\$000
"	"	1903	...	805,000\$000
At the Mint	...	...	...	13,000,000\$000
At the War Office, 1903	...	...	...	893,000\$000
At the Treasury, 1904	...	...	...	330,000\$000

22,203,000\$000

'Over a million sterling stolen in eight years in seven coups, without counting innumerable smaller peculations scarcely worth mentioning! The loss of the money is of itself bad enough, but still worse is the growing corruption of which it is symptomatic. It is impossible that a political system that consents to, or is impotent to correct, such abuses can long endure. The fault lies in the inability to assimilate exotic institutions, such as the jury unsuited to the character of the people. Until that is altered little or no improvement, we fear, can be looked for, whatever Government may devise and we must be grateful that, even so, peculation is yet the exception and not the rule. Municipal representative Government is generally admitted to be a dismal failure, and projects are afoot to do away with it. Still more ghastly, however, is the failure of the trial by jury amongst us, on which, for a consideration, the worst rogue can rely for benevolence, if not for certain acquittal. It was always so, during the Monarchy as during the Republic

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RAILWAYS OF BRAZIL
Vicosa on the Alagoas Section of the Great Western of Brazil Railway
Bringing in Cotton for transport

and so it always will be, until there is a radical change in character' (*June 12, 1904*).

A few weeks afterwards the same journal published the following lament :

'The Minister of Finance is deeply concerned with the scandalous frauds, openly acknowledged, and even boasted of, in the Pernambuco Customs, and, after consultation with the President, will probably order an inquiry to be opened. If we remember right, it was only two or three years ago a similar inquiry was held by Señor Jansen Muller, that resulted in the suspension of some and discharge of other officials. For a time matters improved, but as soon as the effect wore off, encouraged by the comparative impunity of their predecessors, the new lot seem to have adopted the same tactics, and are making hay whilst the sun shines. So it will always be ; the higher duties are raised, the greater will be the incentive to fraud, and the less will be the percentage received by Government. Unfortunately, politics seem to be mixed up in this, as in almost everything in this country, and, it is to be feared, will hamper Government's action.'

In the following December I came across the subjoined, from the same unimpeachable authority :

'STILL MORE ROBBERY.—Painful as it is to repeatedly have to register such occurrences, the only hope of improvement lies in giving them the widest possible publicity. The only consideration that seems still to exercise any restraint is a wholesome publicity. When that is gone there is no knowing what we may come to! This time it is the Health Department, where a shortage of 200,000\$ has been found in the cash. The responsible party, the storekeeper, Filisberto Paes Leme, has been detained for examination. Since this was written a defalcation of 200,000\$ is reported in the Post-Office at Petropolis' (*December 12, 1904*).

It would seem that Municipal affairs at the Federal Capital are no whit more satisfactory. Still quoting from the same journalistic authority, I append the following :

'MUNICIPAL AFFAIRS.—The disclosures in relation to the flotation of the sterling loan for £4,000,000 are of so grave and positive a nature that, unless immediately and satisfactorily disproved, they cannot fail to be extremely damaging to the Municipal administration, and, indirectly, to the Government by which it is supported. There are now made distinct and specific charges of maladministration of the proceeds of the loan, which, if untrue, as the Prefect maintains, can easily be disproved by publication of the accounts in full. The money is the public's, and not Dr. Passos'. If it is being well spent, so much the better: the accounts will prove it ; if not, the public have a right to know, and steps should be taken to find out. The impression gathered from the particulars published is most painful. Whatever flatterers may say, let Dr. Passos be under no delusion on that account. Opinion may be wrong ; but it is almost uniformly against him, and it depends on him to reverse it, if he can. Without going into further particulars until we hear the defence, we will merely add that an expenditure of 1.808:800\$, or 90 per cent., to obtain subscription to bonds to the value of 2.009:400\$ certainly seems extravagant, and demands explanation' (*June 16, 1905*).

The process of recovering debts in the Civil Courts is frequently found so tedious, and the law is so much in favour of the debtor, that few litigants think it worth while to pursue an

appeal from an inferior to a superior court. Bribery is the source of most judgments, and the litigant with the longest purse has the greatest chance of success. It frequently occurs also that a judgment delivered in a lower court against a debtor is reversed in the upper court, for no better reason than the desire to give a snub to the tribunal below. The Judges are appointed from among the practising 'advogados'; and when they have resigned, or have been turned out of office for some offence, they go back to the Bar and resume practice, as is done in the United States of America.

There is something also to be said about commercial morality in Bahia—or rather the lack of it—which ought not to be ignored. Brazilians, as a rule, do not hold the highest place in the temple of fame as honourable and conscientious traders. The following instance of a common custom among Brazilian merchants may be cited. Large quantities of goods are ordered from European manufacturers—British, French, and German—and upon arrival at the Port some trivial excuse is found for refusing acceptance, upon which the goods remain in the Customs House, and are kept there for a period of some few weeks, at the end of which time, unless returned at great expense to the shippers, they are offered by public auction.

The bidders at these auctions are the original customers who gave the orders, and, needless to say, as they are the only bidders, they succeed in getting the goods knocked down to them at absurd prices, just sufficient, as a matter of fact, to pay the greedy Customs House Officials their dues and something over for themselves, so that the unfortunate consigners in Europe receive absolutely nothing! This dodge has been played with success again and again, and it is high time that shippers at home should be made acquainted with what they may expect at the Port of Bahia.

The financial prospects of Bahia are somewhat gloomy. The public debt is continually increasing, while the revenue is alarmingly shrinking. There is absolutely no justification for the fictitious price at which Bahia State bonds stand in London and Paris, but a new loan for £1,000,000 was lately sanctioned for the State, the same having been arranged by Dr. Severino Vieira, formerly the Governor of the State.

The cost of the machinery of the Law Courts is very heavy in Brazil; but it is impossible to believe that all the money voted by Congress for the purpose finds its way into the pockets of the intended recipients. There is a considerable leakage here, as in all Governmental Departments; and some of the Provincial—that is to say, the State—Judges receive as little as £400 per annum. Is it to be wondered at that these hungry gentlemen yield to the temptation of bribery?

Now and again a 'horrible example' is made of one, apparently *pour encourager les autres*. I was in a small Brazilian town at the time the resident Judge, who took both criminal and civil business, was banished from the commission for some more than usually audacious act of bribery. His 'honour,' however, refused to vacate his seat, and as all efforts to induce him to alter his mind proved unavailing, an order came down from the Governor of the State to forcibly eject him. This was done by two coloured policemen, and the ex-Judge was left sprawling ungracefully upon the outside steps of the court, while his successor mounted the tribunal, and commenced to hear the list of cases for the day. It reminded me forcibly of the music-hall sketch entitled 'Black Justice,' in which London favourites were wont to appear.

Actions by one State against another, and by the separate States against the Federal Government, are not uncommon. Several claims for parts of the foreshore belonging to the coastal States, but disputed by the Federal Government, are pending in the Law Courts; and a big action is also on between the State of Amazonas and the Federal Government relative to the rubber taxes. Before what the State of Amazonas regards as 'usurpation' by the Federal Government of its claims to a large part of the territory that could not be prejudiced by an agreement with a third party (although that party was the Federal Government of Brazil), large quantities of rubber coming from the Lower Acre, Juruá, and other districts, now subject to Federal jurisdiction, were treated as a product of the State, and taxed accordingly. This source of revenue has been appropriated by the Federal Government, to the considerable loss and prejudice of the State of Amazonas, which has filed a suit against the National Government for revindication of its rights, and damages.

A paragraph appeared in the English newspapers a few months ago (July 15), in which it was said that at Chicago nearly a hundred thieves and other criminals had been appointed policemen. The Chief of Police, the paragraph continued, who appointed them, said 'he was prepared to take the responsibility.'

In Brazil three-fourths of the members of the police, most of whom are half-breed niggers, or Portuguese cross-breeds with Indian blood, are composed of criminals—convicted and to be convicted. A prisoner is, after condemnation, usually given the option of either going to prison or becoming a policeman. He sometimes prefers prison, for in Brazil a 'policeman's life is not a happy one.' His pay is ridiculously small, his hours are long and tedious, and his troubles are numerous. A benevolent Government provides him with a cheap cotton uniform, coarse

boots, a sword, and a revolver. With the latter and his own native brutality as aids, he is left to forage for a living. And he does. His *modus operandi* of protecting the public is to do all the robbing himself at every favourable opportunity; and how many midnight assaults and robberies by violence go on in the suburbs of Pernambuco, Rio, Petropolis, and other Brazilian towns, I should not like to trust my pen to enumerate. It reminds one of the American financier's candid declaration, that 'he insisted upon protecting the investing public, even if he had to plunge his hand up to the elbow into their pockets in order to do so.'

Now and again the prowling policeman comes across a Tartar who objects to be pillaged or assaulted, and then the morning sun lights up a lump of dirty-coloured, bleeding human clay, wrapped in the Brazilian policeman's uniform. That is all. No questions are ever asked, and a new policeman occupies that beat. Strikes and mutinies among the Federal as well as the State Government Police have occurred rather often in former days, but latterly, pay being more regular, there have been fewer evidences of insubordination.

Brazil has produced of recent years at least one famous aeronaut in the person of Santos Dumont; but in Science, Art, and Literature generally the Republic has yet to take rank among the 'lion'-producers of the world. The Brazilians as a race are not remarkable for artistic feeling, and probably they have not sufficiently emerged from the dark period of their origin—partially black as it is—to thoroughly appreciate the Arts of the Old World. Painting, sculpture, and music have their representatives, it is true, but for the most part they are indifferent. Some native Brazilian oil and water-colour paintings from the brushes and pencils of Aurelio de Figuerido, B. Calixto, P. Weingartner, Modesto Brocos, Honorio Esteves, A. Del-pino, Raphael Frederico, Insley Pacheco, and others, were shown at the Chicago World's Fair several years ago, but they failed to evoke much enthusiasm. At the St. Louis Centenary Exhibition other products in the form of paintings, drawings, sculptures, etc., were shown, but again with only poor commendation being passed upon them by the critics. Nevertheless, all kinds of Fine Arts are carefully and efficiently taught at the National School of Fine Arts, which offers scholarships and sends its most promising students to study in Europe. I have visited the Federal Government's Fine Art School, an excellent and well-managed establishment, the students learning painting, etching, sculpture, architecture, engraving, etc. The State Government also maintains some Trade Schools, and indeed the system of education generally in Brazil is both liberal and good, even if the actual results achieved are not very encouraging.



PROVINCIAL BRAZIL

The 21st of June. The 3,000-ton log-raft of the Great Western Co., way of Brazil.



The Technical Schools are modelled very much upon those of the United States of America, and are well provided with libraries, laboratories, appliances, and figures. Everything that is requisite in the form of tools, machinery, specimens, maps, etc., is also provided liberally. There are several very good public libraries and museums, one especially good being at Pará, that presided over by a scholarly Superintendent well acquainted with European matters and literature. He is a very courteous official, and cordially welcomes European, and especially English, visitors.

In regard to general education, Brazil has organized and keeps in efficient working order some four different branches—elementary, secondary, superior, and technic - professional. Elementary education is entirely in the charge of the State and Municipal authorities. Secondary education is also maintained and controlled by the State Government, but the Federal (or General) Government contributes to and supervises the higher education throughout the Republic. Professional education is divided into three Government controls—Municipal, State, and General. There are numerous Kindergartens, and those I visited seemed to be very well managed, and the pupils happy and contented, if but moderately clean in personal appearance. Only women teachers can be employed in the girls' schools, but both men and women, as in America, can teach in the boys' schools.

In addition to the usual educational establishments, the Brazilian Government has built, and maintains at a good standard, Institutes for the Blind and Deaf-Mutes; a Sero-therapeutic Institute; a fine Botanical Garden at Rio; a National Museum (natural history and archæology); an Astronomic Observatory; a National Library, which, by-the-by, possesses over 260,000 volumes of printed matter, 280 manuscript documents, 140,000 cuts, and a magnificent collection of over 25,000 coins; two Medical Schools; a Bacteriological Laboratory; and several law schools, engineering and mining schools, etc. There are several State Lunatic Asylums, lunacy being rather common among South American races. I did not personally inspect any of these gloomy institutions, but I heard very painful stories connected with the management of some of them—stories which would cast into insignificance the harrowing descriptions in 'Valentine Vox.' I can only hope that these accounts were untrue, or at least greatly exaggerated.

I visited several of the Government Hospitals, both by previous arrangement and unexpectedly. There are at least a dozen of these supported by the public funds, and others which are of a semi-private capacity. In Pará and Pernambuco the buildings are large and airy, but badly managed. The wards, especially those for the women, were exceedingly dirty,

and exhaled a horrible odour of mustiness and anæsthetics. The men's ward was somewhat fresher, because not quite so full. The operating-room in both establishments seemed to be but meagrely supplied with the requisite up-to-date apparatus, and the rules and regulations of admission seemed harsh and unnecessarily restrictive. The nurses did not convey the idea of very much sympathy for their charges, and on the whole the hospitals impressed me rather unfavourably. At Rio the arrangements are better, but still leave much to be desired. The sums voted by Government to the support of these institutions seem ample if properly applied; but probably the slack kind of supervision which is exercised over the management of the hospitals may account for the bad reputation which they have among the public generally. As a rule a patient will fight strenuously against being taken to a hospital, dreading it as a pauper dreads the workhouse.

In spite of the remarkably cruel and unkind things which some of the Brazilians do to and say of one another, they are at heart one of the most impulsively generous people I have met.

The scribe who once compared the whole nation to a parcel of children, good and naughty by turns, was not far wrong in his estimate. We all know the adage about the cow which gives a pailful of milk and then kicks it over. One is often reminded of that strange beast in dealing with Brazilians, who almost invariably spoil a kind action by an unpleasant remark accompanying it; or, as frequently, take the sting from an act of selfishness or obstruction by some compensating gift or other. They are, indeed, made up of extremes, and it is difficult to say precisely which feeling predominates in the minds of strangers coming into contact with them—esteem or dislike. Probably the interchanges of real friendship between Brazilians and Europeans are few and seldom very profound. The characteristics of Northern and Southern nations are so totally different, and their main ideas so diametrically opposed, that anything approaching a close and lasting affection is almost impossible. As Kipling has observed, 'The East is East and the West is West, and never the twain shall meet.' Of the many Brazilian-English marriages I have come across—and in the Northern States, such as Pará, Pernambuco, and Amazonas, they are by no means uncommon—with a few exceptions, they have been alliances of expediency only, and not at all brought about by affection.

It is not difficult to understand why, say, an Englishman holding an important position in Brazil, and having close and intimate relations with influential Brazilians, should find it advantageous to himself and his business to contract a native marriage.

I know of several such alliances, and while not presenting any very alluring pictures of domestic bliss (all the same, I should not venture to state that none existed), the arrangement seemed to work well enough, and at least as satisfactorily as nine out of ten 'love matches' which are contracted in our own country.

Brazilian women, as a general rule, are not in the least exacting, and they are usually contented to accept such marital attention as may be vouchsafed to them, finding an abundant and compensating attraction in their homes and their children, both of which are invariably most carefully looked after. The typical Brazilian housewife is a splendid housekeeper, seldom scorning to don an apron and personally superintend the proceedings in the kitchen, often, also, serving the dishes with her own hands, and never pretending that they come from a swell pastrycook's next door.

CHAPTER X

The railway systems of Brazil—Future extensions—Interview with the Brazilian Minister of Railways and Public Works—An ambitious programme—The Pará-Bragansa Railway—A proposed Brazil-Bolivia International Railway—A canal scheme for the Amazon—The Great Western of Brazil system—The Ceará Railway—Southern Brazilian Rio Grande do Sul—Rio Claro São Paulo—Ports Alegre and New Hamburg—Espírito Santo and Caravellas Railway—At loggerheads with the Brazilian Government

FOR clearer comprehension of the Railway Systems of Brazil I may divide the lines into the following sections :

The Rio Grande do Sul: The Paraná, São Paulo, Rio de Janeiro, Minas Geraes, and Espírito Santo; the Bahia; the Alagoas, Pernambuco, and Parahyba (worked by the Great Western of Brazil Railway Company, Limited). This last System, which is also a strategic line, connects the Capital of the State and the sea-port of Rio Grande with the southern frontier of the Republic. There are some twelve different railroads, covering a distance of over 900 miles.

The Paraná, São Paulo, Rio de Janeiro, Minas Geraes, and Espírito Santo System is the most extensive of all. It traverses the continent from the seaport of Paranagua to that of Victoria, expanding especially in the States of São Paulo and Rio de Janeiro, where it reaches to the Ports of Santos and the Federal Capital (Rio). From the interior it stretches its lines to the extreme western limits of Minas Geraes and São Paulo, and then passes on to Catalao, in the State of Goyaz. There are some 7,270 miles of this System in working order.

The Bahia System runs into the interior, centre, and northern part of the State of Bahia, on towards the Alagoas and Pernambuco System, where it reaches the boundary of Sergipe, near the Atlantic coast, and Joazeiro.

The Alagoas, Pernambuco, and Parahyba System extends from the Port of Maceio, in the State of Alagoas, to that of Parahyba and Cabadello, both in the State of Parahyba, and from thence to Natal, in the province of Rio Grande do Norte. The principal



RAILWAYS OF BRAZIL

Horseshoe Curve on the Alagoas section Great Western of Brazil Railway

Port to which it runs is Recife (Pernambuco), and this System will soon possess nearly 1,000 miles of line.

In addition to the four great systems above enumerated, there are many smaller, but nevertheless important, lines extending from Ports on the coast to different points into the interior. An extremely ambitious programme of still further developments is set forth in the subjoined interview which I had in the month of January last with the Minister of Railways and Public Works at Rio de Janeiro.

‘I am endeavouring to the utmost of my power to develop our railways as systematically as possible,’ said his excellency in reply to my interrogation, ‘giving my attention in particular to the extension of the main national lines. If you will look at this map, you will see what we are doing in the north. The Madeira and Mamore Railway, when joined up to the Bolivian lines, will provide communication between all principal places within the basin of the Amazon and the Pacific. The service will be carried on by land and water, and I regard this part of our programme as being of extreme value to the country at large. The vast and valuable district of Matto Grosso will be opened up, while further south there will be connection between the Tocantins and the Araguaya Rivers. This arrangement is in the hands of a Company, to which the Government has granted a concession, and which is making rapid and excellent progress. The intercommunication between the north and the south of Brazil is further arranged for by the proposed construction of a branch line from Cachoeiro de Itapemirim to Mathilde, in the southern part of the State of Espirito Santo; the extension of the line inland from Rio Grande do Norte to Baturité, as well as the construction of the Ceará-Merim line; the building of the Vittoria-Minas line, connecting up the Bahia lines; and the contemplated linking-up of the Sobral line with the extension I have mentioned across the Pianhy to San Luiz. The line from Caxias to Cajazeiras is also an important one, running, as it does, near the coast.

‘Now, look at the State of Rio de Janeiro on this map. Towards the south the São Paulo-Rio Grande Railway, which I understand you are shortly to visit, is constructing a line to Itararé, to connect with the Sorocabana, which, you know, has just been in financial trouble, and has been leased by the Government and another existing Company. This new line has already been extended to Ignassu, and is rapidly nearing Rio Grande do Sul, where the various systems will form a junction. It is now proposed to add still further to this System by a link line between Porto Alegre and Uruguayana and Sant Anna do Livramento.

‘In the State of Goyaz, the railway to the capital will be the

trunk of a complete system of extensions and branches, of which we hope to make a great success in the near future. In reference to the State of Matto-Grosso, the extension of the Sorocabana along the Tiété Valley, near to Salto do Urubupunga, is destined to open up an extremely fertile district, and will secure the considerable trade of some 2,500 kilometres of navigable river—namely, the Paraná and its many tributaries running between Urubu-Punga and Sete-Quedas. From Itapiru the line will run to Cuyaba, through the splendid highlands of Serra dos Bahus. Additionally, I have before my consideration several other lines. In regard to the construction work already commenced, I may say that the Cearã-Merim line, in the State of Rio Grande do Norte, is making rapid headway; the extension of the Baturité line has advanced considerably; the line from Vittoria to Diamantina is pushing forward extremely quickly; while the Western of Minas Railway is undergoing complete and liberal reorganization, with an idea of its being leased by the Government—a fact which will release the Treasury from any further pecuniary liability in regard to the heavy guarantees. Several lines which formerly were sources of loss to the Government are now being run profitably—for instance, the Paraná Railway, the Santa Maria (which formerly showed very heavy deficits, and is now earning sensible profits), the Theresa Christina, and others. In fact, all railway enterprises seem destined to see better days.

‘I believe you have already seen and travelled over the Great Western of Brazil Railway, which is now entirely responsible for the communication between the three important States of Rio Grande do Norte, Parahyba, and Alagoas? The English Company working these important districts (which has just relinquished the Government guarantee of £40,000 per annum) has undertaken to complete the extension to Pesqueira in one direction and to Campina-Grande in another direction within two and three years respectively. Excellent progress is being made here also.’

‘How about the Government Railway—the Central?’

‘I am glad to be able to tell you about this, and shall hope to arrange for you to see it. We are pushing on the extension line to Pirapora, where it will bring about communication with the States bordering on the San Francisco River. We are also altering the measurements of the gauge on the São Paulo portion of the line; that is to say, we are widening it, as we have had the main line widened as far as Gagé. In connection with this I am now investigating a scheme which has been laid before me to separate entirely the through traffic and the suburban traffic, by transferring the latter to the metre gauge, introducing electric traction, and then extending the line down to the coast.’

'All this is destined to cost a great deal of money. How do you, then, propose to finance the various undertakings?' I inquired.

'So far as the new lines and extensions are concerned, no doubt the various concessionaires and Companies will be able to raise the necessary funds. The Government will continue to do all that it can to foster and assist those schemes which it considers reasonable and desirable, and every encouragement would be offered to responsible individuals.'

'Will the Government guarantee the interest on capital?' I asked.

'No!' came the emphatic response. 'No more Government guarantees! The Government is doing what it can to modify existing contracts for guarantees in connection with those lines of which the construction and guarantees of interest press hardly on the State, without any material and reciprocal advantage being received.'

The Minister then expressed the hope that I should be able to see something of the constructional work which has been carried out in various parts of the country, more especially 'the improvement of the harbours of Santos and Manãos'; and he mentioned that he was desirous of seeing similar undertakings taken in hand for the Ports of Pará, Recife, and Bahia. Congress is to be asked to sanction the scheme of improving the bar at Rio Grande, which would at once result in better trade being done with the neighbouring countries. Already a railway line has been commenced from San Francisco, a natural inland port on the route to the Republic of Paraguay, which promises to materially improve trade relations between that country and Brazil.

I think it probable that if his excellency Dr. Lauro Severiano Muller, the Minister of Industry and Public Works, remains sufficiently long in office to carry out the above programme, and the investing public can be induced to lend the money, Brazil may in due course be endowed with a railway system which will put even the Argentine Republic to shame. There is, of course, many a slip between the cup and the lip in connection with undertakings of this vast and comprehensive character, and nowhere more than in Brazil, owing to rapid and radical changes of Government, upheaval of finance, and general discontent with the existing order of things. Nevertheless, given a fair amount of order and prosperity in the country generally, Dr. Muller is undoubtedly the proper man to carry out the schemes which he foreshadowed to me. The Minister is young, vigorous, and keenly interested in the details of his important office. He, moreover, enjoys the complete confidence of the President, Dr. Rodriguez Alves, the respect and esteem of the public generally, and the experience and

technical knowledge which his profession of a civil engineer afford him. I, however, could but agree with the Minister's concluding observation: 'Our notions may perhaps be considered ambitious and even Utopian; but I feel certain that in due course—if not during my Ministry, then under that of my successor—these ideas will be carried into effect, and Brazil provided with a complete network of coast and inland railways from the extreme north to the south.'

If one were to form a 'first impression' of Brazilian railway enterprise from a visit to the State of Pará Government Railway, I am afraid one would arrive at a very adverse conclusion. Pará is at the extreme top of Northern Brazil, and being the first place to be visited on my travels round and about South America, I naturally commenced my inspection there. Inquiries as to the precise position, character, and possibilities of the Pará State Railway resulted in a very curious but general reticence upon the part of the worthy Pará people. 'Railway?' responded one perplexed merchant to whom I addressed myself. 'What railway?' 'The railway,' I replied. A blank look of unconsciousness suggested to me that perhaps, after all, there was no railway; but suddenly a gleam of recognition crept into the beady black eyes of my Brazilian friend, and he slowly remembered that there was actually such a thing as a 'railway'—at least, so he believed; but personally he had never travelled by it, nor indeed did he know anyone in his particular circle who had. I gathered that the Pará people are not at all proud of their line, and rather pretend to forget its very existence. It is a remnant of a past and almost pathetic attempt by an English Company to open up and develop the district; but their enterprise proved a disastrous one for them, and scarcely a boon to the people themselves.

The line runs from Pará to a place called Bragansa, and at one time probably had possibilities. The enterprise, however, has never prospered for many and sufficient reasons, and the English Company which constructed it, falling upon evil times, was glad enough to sell out to the Brazilian Government, in whose incompetent hands bad has become worse. The 'railway' is little better than a poorly-constructed tram-line, used principally for carrying coloured emigrants to the interior or on the coast, and transporting wood from the vast island forests which these same emigrants have cut down and prepared. Of passenger traffic, rightly speaking, there is little, and the whole line is in a shocking state of neglect and disrepair, being run upon the most parsimonious principles possible, and even then proving a constant loss and burden to the State. Now and again Government officials make little excursions over the line, and while the ordinary passenger coaches are in a bad state of dilapidation, the said officials have recently ordered a special

voiture de luxe, containing drawing and dining room apartments, sleeping accommodation for eight persons, and an open platform for the State Governor's special use.

I have, since my first tentative inquiries, fully grasped the significance of the very existence of the Pará Railway being sometimes ignored. With the magnificent Amazon River as a highway for traffic from Pará as far as Peru itself, a clear waterway of some 3,400 miles, there is, as a matter of fact, little necessity at present for a railway line, though, doubtless, with the expansion of the whole Province of Pará, of which there are at present abundant evidences, a properly-constructed and efficiently-managed railway will become a necessity. I am afraid, however, that the present inadequate line would be totally useless even as a nucleus; the constructors of the future must commence entirely *de novo*, and be, if possible, absolutely free from local control, which means, to be perfectly candid, incompetence and inadequate grasp of actual requirements. Another English Company would speedily come to see this.

At the present time the whole country between the North of Brazil and Bolivia is in 'the throes of excitement' relative to the construction of a railway—or rather a series of railways—between the two Republics. When I use the word 'excitement' it must be accepted in a Pickwickian sense, since anything approaching this sensation among a population so scattered as to give a proportion of about one soul to every 10 square miles is, after all, relative. However, the railway scheme is unquestionably a serious one, and is the outcome of a long-standing contention between the two Republics concerning the ownership of the Acre Territory. This covers about 80,000 square miles of what is believed to be very valuable rubber and mineral-bearing country. The final arrangements are to the effect that Brazil shall pay Bolivia the sum of £2,000,000, and that Bolivia shall devote the whole of this amount to the construction of a line of railroad to open up the country, the management and profits of the line to be jointly shared by the neighbouring Republics. Brazil will further continue the lines in due course (if she can find the money to do so), and, in fact, a completely friendly and most optimistic relationship has been established, which may possibly lead to great events. Brazil has already paid over £1,000,000 of the sum agreed upon, and the second half is rather overdue. The Acre Territory will then become absolutely Brazilian. If it proves as rich in rubber as it is said to be, this possession will render the Brazilian Republic unquestionably the most extensive and most valuable rubber-producing country in the world. Last season its rubber exports exceeded £10,000,000. This year they should reach £15,000,000.

Recently a number of French engineers arrived at Parã for the purpose of making preliminary surveys and arrangements in connection with the Brazil-Bolivia Railway. The region covered is situated in the upper region of the Amazon, and is undoubtedly rich in rubber, if in nothing else. The idea is to build several lines of light railways, none of them of any considerable length, but the whole aggregating, possibly, some 850 kilometres—or, say, a little more than 500 miles. There already exist two lines of railway in the Bolivian Republic, both being owned by English Companies. One of them, the La Paz to Antofogasta, is some 900 kilometres long, and it runs through an absolutely hopeless-looking desert. Why it was ever constructed at all at first sight passes the wit of human understanding. Not a solitary human habitation is visible for 100 miles and more; and, marvel of marvels, the Bolivian Government claims that the line has made a clear profit of 8 per cent. to 10 per cent. from the very commencement. Whether this statement is reliable, or is only put forward to tempt the unwary investor to entrust the Government with more money on a 'guarantee' of a minimum of a 6 per cent. interest—this being the amount guaranteed by the Bolivian Government on the La Paz-Antofogasta line—I must leave my readers to determine. The main support of the road is said to be the large amount of mineral ores carried. I am entirely without proof of this statement, since anything like reliable statistical information concerning Bolivia is unobtainable. After all, I expect the finding of the capital will interest British investors but little. If it is forthcoming at all, it will probably emanate from the group of French engineering *entrepreneurs* who are to build the line, or lines. Even they, however, are likely to become less enthusiastic when the report of their representatives reaches them.

One of the proposed new lines of railway in Bolivia is that from La Paz to Orura; and yet another would run from Orura to Cochaba, a total distance of about 300 English miles. There is at present in operation a small Government line running from La Paz to Ururi, and now it is sought to extend the line from Ururi to Potosi, a distance of some 185 kilometres; and still another line is projected from Ururi to Tupiza, a distance of some 134 kilometres. There is a fair amount of British capital invested in Potosi, which is the very heart of a rich mineral district. In former days the foraging Spaniards obtained thousands of ounces of silver from the Potosi mines, and, with modern mining apparatus to help, no doubt many times that quantity remain ready to be dug out. The City of Potosi possesses to-day about 30,000 inhabitants, but in Spanish times there were something like 300,000. La Paz boasts of a



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RAILWAYS OF BRAZIL

Views on the Leopoldina Railway Co.'s System. (1) Saude Bridge, at K. 368-630 Central Line (3 spans of 14 m. each); (2) Bridge over Parahyba River, at K. 207-300 Sucuidouro Line (4 spans each 42 m.); (3) Bridge at K. 333-540 on the Central Line

population of 60,000, so that passenger traffic to some extent can be relied upon.

The projects put forward likewise include a grand canal connecting the head of navigation upon the tributaries of the Amazon River with the head of navigation upon the tributaries of the River Plate. This would bring about an all-water inland communication through the heart of the South American Continent, from Venezuela at the North to Buenos Aires in the South. The scheme, of course, is an extremely bold one, and would involve the outlay of many millions sterling; but it is quite feasible from a practical, if not altogether from a financial, point of view.

If railway progression has been somewhat slow and uncertain in the extreme North of Brazil, the same certainly cannot be said of the more southerly portion of the Republic, namely, the Pernambuco and Alagoas States. Perhaps in no part of the world has a more remarkably rapid development or a more intelligent reorganization of existing communication taken place than in connection with the various systems now under the management of the Great Western of Brazil Railway Company, Limited, an English corporation with its head offices in London.

The original—or I may perhaps say the nucleus—Company was a very modest and unpretentious affair, formed to work a line between 60 and 70 miles in length. Then followed an extension, which brought the track up to 87 miles. The great opportunity came five years ago, when, through the ingenuity and capability of the General Manager in Brazil, Mr. A. H. A. Knox-Little, the Brazilian Government were induced to turn over to the Company a number of lines, which they had acquired under their scheme of rescinding the guarantees. The combination of these lines is made up as follows:

ENGLISH LINES.

Rio Grande do Norte	...	...	...	...	76 miles
Parahyba	...	...	...	...	104 "
Pernambuco	...	...	...	...	114 "
"	...	...	...	...	78 "
Maceio	...	...	...	...	93 "
					<hr/> 465 miles

BRAZILIAN LINES.

South of Pernambuco	...	...	...	...	121 miles
Link, between Parahyba and Rio Grande	...	...	...	...	32 "
Ribeirão and Bonito	...	...	...	...	18 "
Central	...	...	...	...	113 "
Paulo Afonso	...	...	...	...	72 "
					<hr/> 356 "
Now open to traffic	...	...	...	...	821 miles
There are also in contemplation a further	...	...	...	...	95 "

Bringing up the grand total of the Great Western of Brazil Railway to 916 miles

I think it will be generally conceded that to have converted a line of about 90 miles into a complete system of 916 miles within a space of some five years, and this in a country where things are not expected to march anyhow but slowly, is an achievement upon which all alike are to be congratulated—the Government, the Company, and the public. Needless to say, such an accomplishment was not consummated without a deal of hard work, both in London and Pernambuco. To the diplomacy and infinity of patience displayed by Mr. A. H. A. Knox-Little, the General Manager, much of the success is due.

Of the financial advantages accruing to the shareholders by the amalgamation of all these lines, I need not speak at length. Suffice it to say that the Company, in return for its having received delivery of the various lines mentioned, consented to forego the heavy guarantee paid yearly by the Brazilian Government, and amounting to nearly £40,000 per annum, and has received privileges with immunities which hereafter must prove invaluable to it in its more extended form. I think I may safely say that the contract entered into by the Company with the Brazilian Government is an altogether exceptionally favourable one for the former. It practically secures the success of the enterprise under every conceivable occurrence, and contains absolutely nothing of a dangerous or even inconvenient nature. Thus, at the end of the lease—namely, fifty-six years hence—if the Government desires to take over the Company's lines and work them, the Company will receive back most of the capital cost, together with 20 per cent. added.

In all probability, however, by the time the lease expires, a totally different kind of Government—whether Republican or Monarchical, who can say?—will be in power, and decline to interfere with a Company which has shown such remarkable and excellent capacity for managing its business. I should say that the future owners of the Great Western of Brazil Railway are destined to remain in uninterrupted possession long after the time when the original lease expires.

Improvement and concentration are going on in all directions yet slowly and systematically, and in a very few years the Great Western of Brazil Railway will rank among the most successful and best-handled lines on the South American Continent.

In regard to the matter of equipment, it may be believed that on a system part of which has been running for some thirty years and more the rolling-stock is of a somewhat mixed and antiquated character. The passenger carriages, the freight cars, and some of the locomotives have more than served their time, and deserve—as they will receive—honourable retirement. A careful management, however, has saved and utilized

wherever possible. Thus, a number of out-of-date 5-ton four-wheeled waggons have been converted into 12-ton bogie waggons, and have probably many years of usefulness before them. Some new and well-constructed 20-ton bogie waggons recently arrived from England, and the Company will shortly have over 500 new waggons available. The old type of locomotive is gradually becoming discarded; twenty-five engines of a special and very powerful type, which will enable trains to run of considerably greater paying load to deadweight, have already arrived, and are running, these being constructed by the North British Locomotive Works, Limited.

Gradually the last portion of broad-gauge line—namely, that between Recife and Una — has been converted into narrow gauge; the two stations situated at opposite ends of Recife (the capital of the State of Pernambuco, and often erroneously referred to as the 'town of Pernambuco') are to be converted into large and commodious stations; whilst the terminus of the central line will be made into a large and handsome general passenger station for all the lines. Naturally, the capital outlay will be heavy, but that it will pay, and pay handsomely, in the end I am quite convinced.

In regard to the extensions of the System itself, until now one of the chief drawbacks to the success of the concern has been the inability to do more than serve that half of the country situated near the coast. The interior of the country is only fairly populated, but undoubtedly it is extremely rich and capable of producing almost anything. As to the possibility of future mineral discoveries, I refer to this matter in the chapter on 'Mining.'

It is, then, the policy of the Company to extend and link up more lines, and thus perfect the entire system. A connecting line has already been constructed between Independencia, in the State of Parahyba, and Nova Cruz, in the State of Rio Grande do Norte, a distance of about 52 kilometres; and it is intended to complete a branch line in the State of Parahyba from the trunk at Itabaiana to the town of Campina Grande, which is the centre of the important cattle district, and which will also tap the valuable cotton-producing district through which it will pass. This extension will amount to about 70 kilometres. At Campina Grande a great amount of trade goes on. It is the nucleus of an enormous district, which has hitherto had to be content with horse and mule portorage, but which in the future will enjoy an excellent railway service right down to the Ports of Pernambuco and Parahyba. Cabadello is 18 miles from Parahyba, and is the port for the State of that name.

A still further acquisition by the Company is the Central

Railway, running from Recife to Antonio Olintho, formerly leased to a native syndicate. This will enable the management to secure what trade there is in the high lands beyond Pesqueira, which fulfils for the cotton-growing industry a somewhat similar position to Campina Grande. The line will be extended to Pesqueira itself, a short distance of about 34 miles, which was the terminus originally intended for the Central Railway System.

When the three principal lines of railway now entering Recife at different points are concentrated at one terminus, by the gradual suppression of numerous scattered workshops and centring them at one place; and when certain economies are effected in the accountant's department by adopting one set of books only for the entire system, the Great Western of Brazil Railway will have accomplished a great improvement.

Having the opportunity afforded for travelling over the principal lines worked by the Company, I duly noted the methods of handling the heavy freights, the frequent 'rushes' of passengers (especially on fête-days), I inspected the buildings, workshops and rolling-stock, and inquired into the relations existing between the management and employees, and I may say that the system in vogue appears to work extremely well, and must inevitably continue to still further improve. The staff of English officers, including Mr. A. H. A. Knox-Little, the Manager, Mr. Tuckniss, the Accountant, Mr. Frank H. Felton, the Traffic superintendent, Mr. Parfitt, the Chief Resident Engineer, Mr. Rawlins, the head of the Construction Department, Mr. J. A. Lorimer, the chief locomotive Superintendent, Mr. Albert Connor, the Parahyba District Superintendent, and Mr. R. Marshall, the Maceio district Superintendent, are all highly competent men, who seem to consider the interests of the railway entirely as their own, as, indeed, they should be.

A small but important railway, owned by Brazilian proprietors, is to be found at Ceará. (For description of Ceará, see p. 194.) This is the Estrado de Ferro de Baturité, and runs over a track of about 225 miles. The line was not a difficult one to build, as it runs on almost flat ground; but there were several heavy cuttings and some steep curves to be faced.

The line carries great quantities of cotton, and, owing to the generally sparsely-planted foodstuffs to be found in the district, also a great deal of 'farina,' a dried and crushed ground-root making a sort of gritty flour, which forms the principal object of diet consumed by the lower classes of the population. It is eaten also with much relish by nearly all people in Brazil. The line thus finds remunerative freights both up and down almost continuously, and pays a liberal return on the capital.

Far different has been the experience of the luckless English

Company which attempted to construct a harbour there—the Cearã Harbour Company, Limited.

No less a sum than £350,000 was lost over this enterprise, due entirely to natural causes, a violent gale having destroyed the fine engineering work put in, the coast being a most difficult one to deal with, owing to the heavy surf almost always running there and the ever-encroaching sands.

The town of Bahia, a place of considerable importance, is rather less than midway between Recife (Pernambuco) and Rio de Janeiro, and has a population of some 265,000 people. The distance is about 400 miles, and takes from twenty-four to thirty hours by the big liners. There are three different railway systems at Bahia, one of which is now in native hands, being leased by the Government to individual enterprise. Naturally, from such an arrangement, the travelling public derive the fewest possible advantages. The remaining two lines are managed by English Companies. To take the first, which is leased to a Dr. Lima, a civil engineer—all engineers in Brazil are entitled to call themselves 'Dr.'—this is an extension of the Bahia and San Francisco Railway, which runs to a small town called Alagoinhas, about 123 kilometres, or, say, 77 miles, distant from Bahia. The line is well laid, but the rolling-stock is antiquated and needs renewal. The distance is ordinarily covered at the speed of 13 miles an hour, including stoppages.

At Alagoinhas the native railway commences, and runs a long distance into the interior, its terminus at present being Joaseiro, on the River San Francisco, and close to the mountains of the Serra de Pianhy. The length of the journey from one end of the line to the other is from forty-five to fifty hours. The third line is known as the Bahia Central Railway, and starts from the coast town of São Felix, in the Bay of Bahia—a few hours' steamer run from the port of that name—to Machado Pontello, a distance of 240 kilometres, and Bandeira de Mello, 255 kilometres.

None of the railways are at present earning much in the way of dividends, owing to the generally disastrous condition of trade in the State of Bahia. The principal goods carried by the various railways consist of coffee, cocoa, tobacco, skins, piassava, and timber, a great deal of which goes to the United Kingdom. Then the trade of the State includes also some cotton, tapioca, palm-oil, rum, and molasses. Unfortunately, the same depression already noted has spread itself over almost all branches of trade in Bahia, and, to use the expression of a leading merchant with whom I conversed, the head of one of the only two English houses now remaining in Bahia, the place is 'absolutely dead.' Commerce and commercial borrowers have been buried together.

The State of Paraná not long ago induced the Federal Government of Brazil to sanction a fresh scandal in connection with the railway matters of the Republic by the granting of a lease of the Paraná Railway to a certain Mr. C. J. Westerman. The contractor is said to be the nominee of the State of Paraná itself, and it was pointed out that a most dangerous precedent was created by this action of the Federal Government. No doubt the latter, to save themselves further worry and trouble, or to relieve their well-paid officials as much as possible, found it more agreeable to lease their lines than to work them.

But the Government would appear to be quite oblivious to the consequences of such actions as this, or to deem it at all necessary to consider the standing of the lessee. One would imagine that, with such excellent instances before them of what can be done with Brazilian railways, in the hands of competent Companies, as are afforded by the Great Western Railway, the Leopoldina Railway and the São Paulo Railway, the greatest care would have been exercised in leasing a line of the importance of the Paraná Railway; but, unfortunately, this does not appear to be the case, and the proper maintenance of the line, which should prove a really valuable national asset, has been entirely ignored.

All that the Government seems to concern itself with is the amount of revenue derived from the lessee, who is otherwise left to run the line as and how he pleases. What this means, only those who have travelled over the privately-leased lines in Brazil can have any idea. A competent and wealthy French Company offered to take over and work this railway, and would no doubt have done so with excellent results from the passengers' point of view; but their offer was rejected in favour of the individual referred to. Intense and well-grounded indignation was aroused by this fresh piece of Governmental favouritism, which is bound to react unfavourably upon the State of Paraná. Mr. C. J. Westerman is a strong political friend of the Government; and when this is said everything is explained. Political favouritism is the curse of this unfortunate country.

The Southern Brazilian Rio Grande do Sul Railway Company, which has been in the hands of a British concern for many years, has recently been taken over by the Brazilian Government under their powers to acquire the property compulsorily.

The first offer of the Brazilian Government to purchase their undertaking, which was made some four years ago—apart from the re-payment to the debenture-holders—was of £400,000 in bonds then standing at 65 to 66. The latest offer—the Company



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RAILWAYS OF BRAZIL

Grotta Funda, Serra Incline (Old line) on the São Paulo Railway Company's system. This viaduct is 102 metres long and 44 metres in height at the middle of the ravine



having made rapid progress in the interim—is £650,000 in bonds which now stand at 83. In view of the uncertainty of the future the last offer was accepted, and thus the Southern Brazilian Railway becomes a Brazilian enterprise, which is so much the worse for the railway.

The Rio Grande network of railways consists of three different main Systems, the first connecting the Port of Rio Grande with that of Uruguayana, on the Uruguayan River; the second running by the Uruguay from that point to São Borja, and the third connecting Rio Guana with Porto Alegre.

The Rio Claro São Paulo Railway has been a British concern for about eighteen years, and the shareholders have been latterly receiving a dividend of 14 per cent. The Company is very rich; apart from the excellent working arrangements which it has with the Paulista Company, its income last year from investments alone amounted to over £11,200. The railway has a total length of 264 kilometres—about 164 miles—and traffic has been running since 1887. In this case also the Brazilian Government has the right to purchase at any time after fifteen years from the opening. The British Company now owning the line took it over from a former Brazilian Company, which could not work it at a profit, so that the change of management pretty clearly indicates under which control railway administration has the greatest chance of success.

The Porto Alegre and New Hamburg (Brazilian) Railway is also a British concern, started in 1870, to construct a railway under a concession from the Government of the Province of São Pedro do Rio Grande do Sul. The terms upon which the Company holds this line are but little different from those mentioned above, since, although the line is by agreement to belong to the Company in perpetuity, the concession being for sixty years, the State Government reserves to itself the right to purchase the undertaking at the expiration of thirty years from the opening of the line, and as this took place in 1876, the Government can foreclose next year (1906) if it chooses. So far nothing has been heard from the Government as to its intention or views on this subject. But the State Fiscal Engineer is credited, rightly or wrongly, with somewhat sinister designs against the Porto Alegre and New Hamburg Railway, and it is not improbable that the Company may have trouble with him yet. This is not the only controversy, however, which the Company have had with the Government, the latter having persistently refused to allow the extra salary paid to the company's Superintendent, which sum now amounts in all to £1,385 10s., and which the Government continues to disallow year by year as the accounts are presented.

The Espírito Santo and Caravellas Railway is a compara-

tively modern undertaking, and owns, besides a railway 45 miles long, running from Cachaeiro, in the State of Espirito de Santo, to Alegre and Castello, some warehouses in Rio and a fleet of lighters. The Company holds its concession from the State of Espirito Santo, the Government of which is notoriously at variance with foreign interests, and which has in previous years gone through some bad financial history. The concession lasts for ninety years, from 1886. One of its terms was that the State Government should pay interest at the rate of 7 per cent. per annum upon the Company's capital, but, as usual, some four years after this contract was made the Government modified its terms, reducing the amount of the interest to 6 per cent. The Government can purchase the railway undertaking any time after 1913, but there is very little chance that it will possess the money with which to do so. The Company is at loggerheads with the Government on several matters, but more particularly in regard to the threatened expropriation of some of the Company's warehouse property, and this at an altogether unfair valuation.

Mr. Herbert H. C. Harrison, Chairman of the Espirito Santo and Caravellas Railway Company, speaking upon this subject to his shareholders at their last meeting, declared the Government's conduct to be 'thoroughly unjust and unwarranted in every way,' and again observed that 'as the Board found the Brazilian Government displayed so little inclination to deal with the Company, they had again appealed to the British Foreign Office for assistance in the preservation of the rights of the shareholders, and the matter was being inquired into by the British Minister at Rio. The Directors had also placed the facts of the case before Messrs. Rothschilds, as the Financial Agents of the Brazilian Government, and the Board were determined, as far as possible, to resist what was practically the confiscation of the Company's property.'

The continual conflicts which occur between foreign-held railways and the Federal as well as the State Governments of Brazil form one of the strongest objections to such class of investments, and cause all similar enterprises to suffer more or less from disfavour.

CHAPTER XI

The Leopoldina Railway Company—Character and description of the various lines and systems—The Rio-Petropolis section—Types of carriages and locomotives—The ‘rack’ and ‘Fell’ systems of haulage—A new style of passenger coach—‘Serra’ sections of the Contagallo line—Other serras—A typical tropical scene—The general manager—Petropolis—The daily journey from Rio—A wonderful scenic display—The traveller’s usual experience

THE Leopoldina Railway Company is, perhaps, rather unfortunately named, since it has adopted the title of a very obscure and wholly unimportant town in Brazil, which affords outsiders, those who have no knowledge of Brazil and its peculiarities, absolutely no idea of the importance of the line and the amount of territory which it covers.

A glance at a map of the Republic shows Leopoldina to be a small town tucked away in a remote corner of the country, and scarcely worthy, from either its geographical position or its economic claims, to lend its name to one of the most important railway companies in Brazil. The general scorn for there being ‘little in a name’ does not apply to railway concerns. Much depends upon their names, both as a guide to their precise locality and the scope of their covering capacity. Nevertheless, the Leopoldina has been saddled with a title totally at variance with its importance and value, which seems a matter for regret.

The Leopoldina Railway is practically an amalgamation of no less than thirty-three different lines, of which twenty-five, situated in the different States of Minas, Rio de Janeiro, and Espirito Santo, have been acquired by purchase, and comprise the original Company; six have been constructed as new sections; and two have been taken over from private companies, and now form part of the whole system. From first to last the Leopoldina Railway comprises a track of some 2,349 kilometres (a kilometre is equal to five-eighths of an English mile), spread out over the three States as follows :

	Kilometres.
In Rio de Janeiro	1,346·460
In Minas	909·548
In Espirito Santo	93·230
Total	2,349·238

RAILWAYS IN THE STATE OF MINAS.

From Porto Novo to Saúde	}	9 lines
„ Volta Grande to Pirapetinga		
„ Recreio to Santa Luzia		
„ Patrocínio to São Paulo		
„ Cysneiros to Paraokena		
„ Vista Alegre to Leopoldina		
„ Serraria to Ligacao		
„ Furtado de Campos to Juiz de Fora		
„ Guarany to Pomba		

RAILWAYS IN THE STATE OF RIO DE JANEIRO.

From Nictheroy to Macuco	}	9 lines
„ Porto das Caixas to Macahe		
„ Conselheiro Paulino to Paquequer		
„ Macahe to Glycerio		
„ Campos to San Fidelis		
„ Araruama to Manoel de Moraes		
„ Campos to Porciuncula		
„ Murundu to San Eduardo		
„ Itaperuna to Poco Fundo		

RAILWAY IN THE STATE OF ESPIRITO SANTO.

From San Eduardo to M. Freire	1 line
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ADDITIONAL LINES.

The Macahe and Campos Railway—		
From Imbetiba to Campos	}	4 lines
„ San Fidelis to Miracema		
„ Campos to Saturnino Braga		
„ Cordeiro to Portella		
The Rio de Janeiro and Northern Railway—		
From Maua to San José de Rio Preto... ..	}	2 lines
„ San Francisco Xavier to Raiz da Serra		

 25 lines

All the above lines have become the absolute property of the Leopoldina Railway, with one exception, namely, the Minas section from Rio Novo to Juiz de Fora. The line is not yet worked by this Company, and its actual ownership has yet to be determined by the Law Courts, to which the dispute as to possession has been referred.

Having acquired the above-named twenty-five lines, distributed and straggling all over the country, the Company set itself to the task of finding out precisely what to do with them. Apart from their wide divergence one from another, the majority of the lines were found to be in a disgracefully neglected condition, and months of hard work and careful management were devoted to bringing them into something like order. Then came the question of linking them up, and the Company set about the work with commendable promptitude and enter-

prise. The following additional lines were soon constructed and incorporated with the system :

IN THE STATE OF RIO DE JANEIRO.

	Kilometres.
From Areal to Entre Rios	25'772 (about)
„ Entre Rios to the right bank of the River Parahybuna, at a place called Travessao	13,495 (about)

IN THE STATE OF MINAS.

From Silveira Lobo to the left bank of the River Parahybuna, joining up with the line from Entre Rios to Travessao ...	19'032 (about)
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IN THE STATE OF ESPIRITO SANTO.

From Mimosa to Moniz Freire	55'419 (about)
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This fresh construction made a total of nearly 114 additional kilometres to work, and each new section as it was completed was at once made part of the whole system, and brought into immediate use. But the Company was still deficient in many important and, indeed, indispensable links. These had to be found and completed somehow, and the best way, it was decided, was to acquire by purchase a number of small private concerns, which alone would be of but little value, but which, incorporated into the whole system, meant a strong and workable combination. The Company, therefore, bought up the following two companies :

IN THE STATE OF RIO DE JANEIRO.

	Kilometres.
From Campos to Atafona, with a branch line to Mussurepe (purchased from the Campista Railway Company)	53'650

IN THE STATE OF MINAS.

From Cataguazes to Mirahy, with a branch line to Joao Pinheiro, known formerly as the Cataguazes Railway Company, and purchased from the Banco da Republica	48'130
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These additional 101'780 kilometres brought the total track up to the figures I have given—namely, 2,349 (odd) kilometres. The question which will be asked is, How much has all this cost? The amount is a very large one, but not too large to enable the Company in time—so soon, indeed, as it can commence to reap what it has so patiently and pluckily sown—to become a very profitable concern.

The additions which have necessarily had to be made to the capital account have amounted since 1897 (the Company took over possession actually on January 14, 1898) to £3,628,000. I may say that these are not the latest figures, but relate

only to the end of 1904; since then, of course, some other outlays have been necessary, since construction has been proceeding all the time. Undoubtedly the Company has been spending money more freely than the management or the directorate had any intention of doing; but it was practically impossible to avoid it if the efficiency of the line was to be maintained, and the opportunities existing to be availed of, as well as to proceed with the repairs, improvements, and extensions which have since been undertaken.

The Leopoldina Railway is very seriously inconvenienced by having no terminal station at Rio de Janeiro. Naturally, this city being the commercial centre of the Republic (although it is surpassed in actual exports and imports by Santos), a central railway station is an absolute *sine quâ non*. But the Company has not got one, and, what is more, it is not likely to have one. There is a terminal passenger and goods station for the traffic from Rio to Petropolis, and north of that through the State of Minas; but all freight has to be taken first on board a large paddle-steamer, or pontoons, and transhipped on the other side of the bay.

The actual railway, which communicates with the centre of the Republic and runs up through the States of Rio de Janeiro and Espirito Santo, commences from another point situated upon an exactly opposite side of the bay, occupying about thirty minutes to cross in a launch or on a ferry-boat. This point is the City of Nictheroy, which is really the State capital, Rio being the Federal capital and seat of the Government. Nictheroy is on the east side of the bay, and the landing-place owned by the railway is some little distance from the city itself. All passengers and goods—the latter in waggons already coupled up—are conveyed across the bay in ferries; that is to say, the passengers in launches, and the goods upon massive pontoons towed by tugs between the several bayside stations. The service is admirably managed, it is true; but, naturally, the transhipment and delays caused by this short sea-trip are a constant source of worry to the Company. Everything has been suggested that is possible to overcome the difficulty; but without expending some additional millions of pounds, and receiving no commensurate benefit, the Company finds itself unable to do anything to remedy it.

The Company's offices are in the City of Rio de Janeiro, facing the incomparable Rio Bay, and are very handsomely built and equipped both outside and inside, being, indeed, worthy of the vast amount of business which is carried on by the Company and its manifold interests.

Undoubtedly the most remarkable line owned by this Company is that running from Mauá (pronounced 'Mawaw') to



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Interior of Boiler-house at Alto on the São Paulo Railway Company's New Serra Inclines



Petropolis. This is a fashionable and uniquely-situated resort, to which all sufficiently wealthy Rio people fly to escape the heat and the unsavoury smells of the city. The line forms one of the several 'serra' systems owned by the Leopoldina Railway, and is worked on the 'rack' system.

The Bay of Rio is crossed by special passenger steamer, only one of this particular type being at present employed, leaving twice daily, and taking about one hour to do the journey. The railway commences at Mauá, where there is a well-constructed pier, well roofed in. The train runs along for some 16 or 17 kilometres on the flat, and then commences to climb the steep serra or mountains. The rack line starts at kilometre 16·215 of the Grao Pará line, and rises up 811 metres to the top; the Alto da Serra Station, which is 842 metres above sea-level, is a distance of 6·015 kilometres, the maximum gradient being 15·8 per cent., and the minimum radius of curve 150 metres. This serra is worked by the Riggerbach Rack System, which is too well known to need any detailed description.

In view of a heavier and more powerful type of locomotive having been adopted, the rack rail was recently very much strengthened, and a steel viaduct is being substituted by a granite masonry structure consisting of three arch spans of 15 metres each. The construction is being admirably carried out, and although the labour is necessarily proceeding somewhat slowly, owing to the peculiar position of the viaduct, which traverses a very deep ravine, the excellent material and workmanship employed cannot be too highly praised. Considering the weight of the trains hauled over it and the severe strain occasioned, no solidity can be deemed too great. Nothing, therefore, is being left to chance.

To work the Mauá and Petropolis section the Company has to employ fourteen rack locomotives, eight capable of hauling up the serra a 24-ton train-load each, five capable of hauling up a 22-ton train-load each, and one capable of taking up a train-load of 18 tons. The weight of the heaviest type of the engine now working on this serra is 27 tons, and this engine takes up the rack section a train composed of two compartmental coaches, weighing 23½ tons. I understand that the new type of engine to be employed on this work will have a weight of 24 tons, and be capable of taking up the track, besides its own weight, a train-load of three coaches, weighing 35 tons, or a total hauling weight of 59 tons.

In spite of the passenger and goods traffic on this section being very heavy, especially in the summer months, when everyone who can possibly do so gets away from Rio de Janeiro and sojourns a while (usually six months) in Petropolis, I am afraid that it scarcely proves remunerative to the

Company, whose expenses in running and maintaining the line must be enormous.

The passengers carried sometimes amount to 400 per train ; but the fares are not high considering the length and character of the journey. To carry these passengers over the rack system necessitates the breaking up of the train (usually consisting of nine passenger coaches and one luggage van) into five different sections, each not exceeding 24 tons dead weight ; therefore the Company found it absolutely indispensable that they should provide such a type of locomotive as I have described, as well as a passenger coach with which the full pushing power of the locomotive can be utilized and the maximum number of passengers carried, with a minimum tare weight of each coach.

There are some thirteen of these admirably-constructed vehicles, all of which have been designed and built at the Company's workshops at Alto da Serra. The length of the carriages is 29 feet $1\frac{1}{2}$ inches over the bodies, 19 feet $1\frac{1}{2}$ inches between the centres of the bogies, and the width 8 feet $1\frac{1}{2}$ inches, or over the mouldings 8 feet 7 inches. There are forty-two seats in each carriage. All the coaches are provided with side-doors, which enable the change to and from the ferry-boat at Mauá being made as speedily as possible ; and I found, by actual timing, that a total of 400 passengers, and a considerable amount of luggage, mails, etc., were transferred from the train to the boat in three and three-quarter minutes, and from the boat to the train on another occasion in five and a half minutes.

These coaches have also doors at the two ends, and a narrow passage-way running down the centre to facilitate the collection of tickets, etc. Previously the unfortunate conductor or ticket-collector was compelled to crawl painfully and even dangerously along the outside platform from window to window to collect the tickets, always having to face a fierce wind caused by the rapidity with which the train travelled, and, of course, sometimes a heavy rain as well.

The tare weight of these coaches is 9 tons 3 hundredweights, or 488 pounds per seat. They are therefore, taking into consideration the general style of the internal fittings, probably the very lightest coaches of this size employed on any railway in the world. They have seating accommodation for forty-two passengers each. The seats have reversible backs—a patent much to be commended from every point of view : sanitary, comfort, and economy—and being upholstered in rattan, a kind of smooth and flexible cane woven closely, and with perfect ventilation, are extremely cool and comfortable. It would be difficult to see where any further improvement could be introduced so far as the seating accommodation for the passengers is concerned. The whole appearance of the coaches both inside

and out is cleanly and neat, and everything is admirably finished in a beautiful native cedar-wood, while other equally handsome and suitable Brazilian timbers are also employed.

I was particularly struck with the arrangement for opening and closing the windows and shutters, a clever device being adopted, being the invention of the Locomotive Superintendent, Mr. R. C. Crocker, a very capable and enterprising engineer, who thoroughly understands his business, and carries it out with great advantage to the Company whose interests he serves.

The Petropolis Serra, as will be readily seen, is a highly important, and—from a scenic and engineering point of view—a most attractive and interesting section of the Leopoldina Railway System.

The Friburgo Serra section of the Cantagallo line commences at Bocca do Mattao Station, 81 kilometres from Nictheroy, and rises 860 metres in a distance of 12 kilometres to the station of Theodoro d'Oliveira, 886 metres above sea-level. The steepest gradient on this section is 8.75 per cent., and the sharpest curves are of 28 metres radius.

This section was originally worked on the 'Fell' System, with material taken from the Mont Cenis Railway; but since 1883 it has been worked by ordinary adhesion, a central rail being used for a central scissors brake on the engines and waggons, which grips both sides of the central rail. The wear on the cast-iron blocks is very severe indeed, the blocks having to be renewed after each down trip. The gauge of this track is the metre laid with 65-pound steel rails on hardened sleepers.

A special type of locomotive, of which there are nine, is used for working this serra. The engines are of six-wheeled coupled type; cylinders, 18 inches by 20 inches; diameter of wheels, 39 inches; total wheel base, 9 feet 8 inches; weight in working order, 40 tons. The maximum train-load these engines can take up the serra is 36 tons.

The composition of the trains coming down the serra is restricted to six passenger coaches, or six bogie goods waggons. This is owing to the dangerous chance of overturning at the curves and reverse curves of small radius should the central brake on any one of the vehicles be badly applied. The central rail brake is worked by a special staff of brakemen, and every vehicle passing over the serra is accompanied by its own particular brakeman. All the locomotives are provided with two central brakes, in addition to an Eames vacuum brake applied to all the coupled wheels. Thus, it will be seen that everything that thought and ingenuity can devise for the safety of the passengers and the effective working of this difficult piece of line has been adopted.

There are three other serras on this railway system known as the Bicas, the São Geraldo, and that of the Capivary respectively.

The Bicas Serra has its summit situated at kilometre 57 of the Serraria line, just beyond the station of Bicas; and here the line descends, falling away from a height of some 600 metres above sea-level to a height of 310 metres above sea-level in a distance of 12 kilometres, the maximum gradient being $2\frac{1}{2}$ per cent., and the minimum radius of curve 62 metres. The traffic on this serra is worked with the ordinary type of locomotive used on the rest of the system.

The São Geraldo Serra has a gradient which commences just after leaving São Geraldo Station, kilometre 204 of the central line from Porto Novo, the line winding backwards and forwards in a zigzag manner along the side of the mountain. The effect on mounting is very curious—almost unique, I should say—and at several points of the climb it is possible, on looking down from the train, to see the line just passed over lying fathoms deep below. The line does not wind round the mountain, but across its face, just as a man would zigzag up a hill to save him a steep climb. The top of this remarkable serra, beautifully and romantically situated among some ravishing scenery of the true tropical type, is reached at kilometre 222, which is 731 metres above sea-level, the total rise on this serra being 352 metres. The maximum gradient is $2\frac{1}{2}$, and minimum radius of curve is 55 metres. The traffic on this part of the line is also worked by the ordinary type of locomotive, as in the Bicas portion.

The Serra of Capivary (Palma) commences from the station of Palma, kilometre 29 of the Muriahé line, which is 331 metres above sea-level, the line rising 190 metres in a distance of 10 kilometres, the 2 per cent. gradient ending in a tunnel 320 metres long. The minimum radius of curve is 75 metres, and ordinary locomotives are used for the working of this line.

Mr. J. Percy Clarke, the general manager of the Leopoldina Railway, is a man with an excellent railway record. He came from the Argentine, where, as chief engineer of the Buenos Aires and Rosario Company, he made a great reputation for himself, and did much good work for that Company. Mr. Frederick W. Barrow, the former general manager, and an excellent organizer, a Director of the Company in London but at present representing the Board of the Great Southern Railway in Buenos Aires, was a difficult man to replace. But Mr. Clarke has proved himself a capable and satisfactory substitute, and being possessed of activity—he is little over forty years of age—abundant energy, and a remarkably



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Interior of Engine-house at Bankhead No. 4, on the São Paulo Railway Co.'s
New Serra Inclines



shrewd knowledge of men and things, he has proved to be one of the most valuable among the many valuable assets which are held by the Leopoldina Railway Company.

Petropolis, named after and founded by Dom Pedro I., former Emperor of Brazil, is undoubtedly a charmingly-situated place of residence, but rather too far away from Rio de Janeiro to be altogether convenient.

Formerly quite a small and unpretentious suburb of the capital, to which people drove in four-in-hands over a winding and picturesque coach-road, which had cost some £20,000 to build, it has now become a populous town, containing some 25,000 inhabitants, owning two daily newspapers, and providing all the resources of civilization.

There are three small rivers running a winding course through the town, across which are thrown a number of picturesque red wooden bridges, which remind one somewhat, both as to colour and structure, of the once-famous Sacred Bridge at Nikko, Japan.

The houses are built in an irregular style on either side of these three rivers, with wide carriage-roads between them and the water. As only wealthy, or at least well-to-do, people live in Petropolis, the residences are for the most part very handsome and very expensive. The majority are one-storied, built in the villa style, with wide, open verandas, projecting roofs, and high terraces with flights of steps leading to the main entrance.

The gardens form the principal feature of the Petropolis residences, and these are in many cases extremely beautiful. Almost any English plant will grow; and great quantities of roses, fuchsias, geraniums, dahlias, azaleas, honeysuckle, and clematis are to be found, together with a bewildering variety of ferns, bamboos, palms, and other tropical plants. The only thing that does not flourish is English grass, the climate being too hot during the daytime for most of the year; but the Brazilians have a long and tougher kind of grass, which, when cut down and rolled, looks green and pretty from a distance, but it cannot compare for appearance or feel with our beautiful close turf and its mossy, velvety touch.

Owing to the several rivers already mentioned, and the position of the town causing it to occupy almost the very centre of the mountainous rain-belt, Petropolis is both damp and wet for a great part of the year. Rain falls almost every day, and on some occasions—I may even say many—it falls for days together. While this abundant rainfall causes the vegetation to be continually fresh and green, the air is rendered very humid, and for those at all prone to rheumatic complaints I should say it is harmful.

I essayed a full week's stay at Petropolis, and found it very trying indeed. It rained every day, the many trees, with which the streets are lined upon either side, continually dripping tears, as did, indeed, everything else. The inhabitants, who never move out without umbrellas, think nothing of this almost perpetual wet, and, in fact, they deem themselves fortunate in having it, since it certainly keeps the place cool, and they revel in this when Rio is sweltering in heat.

It must have been something of an undertaking in the old coaching days to make the journey between Rio and Petropolis, excellent as the road may have been. There are numerous remains of it still existing, which afford an exact idea of what the whole must have been, the gradient being very gentle, and the protecting walls wonderfully well built. Even to-day, with all the luxuries of modern railway and steamboat travelling, the journey is a long one—two full hours each way. When one has to pass four hours of a busy day passing to and fro, there need be some great attraction at the end. The particular inducement in this case is the ability to sleep quietly and comfortably in a cool atmosphere, and, after all, this is a valuable asset, and decidedly worth striving for. Hundreds of city men make the journey between Petropolis and Rio twice a day upon every day in the year—Sundays and feast-days excepted—and seem quite satisfied to do so. The time occupied is not in the least begrudged, and what they expend in railway and steamboat fares they probably save in chemists and doctors' bills. Additionally, they look and feel well in Petropolis, the rain notwithstanding, and can laugh at all fevers such as haunt the low levels where Rio is built.

Petropolis lies about 2,700 feet above sea-level, and on fine days one can see the whole of the magnificent harbour of Rio, with its superb setting of mountain, valley, and rolling country, laid out like a panorama. The views enjoyed from this height, and the sunsets which are visible on all clear days, compensate for a good deal, until one gets accustomed to them. Familiarity with beautiful scenery, if it does not breed contempt, at least creates indifference, and it is to be feared that the unrivalled scenic attractions of Petropolis are but little considered by the majority.

The town has an excellent water-supply, and being built on a hill, or rather a series of hills, and situated between steep mountains, has an admirable natural drainage system. The place is lighted by electricity, and very well lighted, too. There are some very fair hotels, and one or two well-managed boarding establishments—one kept by an English lady, Mrs. Hill, which is both comfortable, extremely clean, and moderate.

On leaving Rio, at the Prainba Wharf, the passenger

takes passage on the boat—a paddle-box, flat-bottomed craft, named the *Leopoldina*, built specially for the Company by Denny Brothers, of Dumbarton, who have constructed so many similar and other vessels now running in various parts of the world. There are many bench seats and plenty of deck room for promenading, while an extensive refreshment saloon and a buffet are below, and are much appreciated by the passengers, who can have afternoon tea or an early breakfast *en route*, nicely served, and without any necessity for hurrying; this part of the journey occupies just an hour.

The boat runs to and leaves the 'port' (or pier) of Mauá, situated on the opposite side of the Bay, and here the passengers are expeditiously transferred to the train, which is drawn up on the wharf. Each train consists of at least nine passenger coaches and the baggage car, each carriage being divided into separate compartments, and each bearing a large distinctive letter, 'A,' 'B,' 'C,' 'D,' etc. Every passenger on board the boat has received a small ticket corresponding to a seat in a particular carriage of the train, there being sufficient accommodation for all (first class and second class alike), and thus no crowding or bustling is necessary or allowed. The arrangement works admirably, and might be followed with advantage, or at least taken as a model, by passenger-carrying Companies in other parts of the world.

The transfer of passengers and the small quantity of luggage which the Company consents to carry in these express trains (a baggage-train follows on at the interval of an hour) occupies only a very few minutes, and is completed without the slightest fuss or confusion. The system is a pattern of its kind, and could not be improved upon.

Now commences the most interesting portion of the journey. After running some few kilometres on the flat, the train arrives at the commencement of the steep mountain climb. Here it is broken up into five different sections, two coaches to a section, and behind each section is a small but powerful locomotive, built expressly for the purpose on the Riggerbach Rack System, the gradient to be surmounted being the heaviest of any mountain railway in the world—namely, an average of 1 in $7\frac{1}{4}$, with several sections of 1 in 6. As each locomotive takes its place behind its coaches, it starts off up the mountain, the five different trains following one another at a distance of about 500 yards or less, and forming a continuous but winding procession up the steep pass. The appearance presented by this puffing, crawling, toiling parade is very comical, the effect of the breaking-up of the one long train into five smaller ones, and the almost human manner in which each little locomotive forms up behind its charge and then pants away with it, afford-

ing much amusement when first seen. To the last, however, it amused me, and I never became weary of watching the proceedings.

The train portion of the journey occupies also an hour, the passengers arriving at Petropolis at 8.26 a.m. and 6.10 p.m., leaving again at 7.30 a.m. and 5.54 p.m.

There are only these two passenger trains daily, the fare being 10 milreis—about 15s., at the present rate of exchange—and the tickets are available for eight days. The regular passengers take out season tickets, which cost about 200 milreis—say, £15—per month. Even with these fares and heavy rates for freight (no free luggage except hand-packages being allowed) the line does not pay a fortune, it being a very costly one to run and maintain.

The question of luggage is a most important one in Brazil, and especially when being moved about in cities. It seems almost incredible that a charge of 35 milreis, namely, about to-day = £2 12s. 6d., should be possible for 'despatching'—that being the term employed—six pieces of luggage (of which the largest was an ordinary steamer portmanteau and the smallest a leather hat-box) from Rio de Janeiro to Petropolis, a distance of only 25 miles, and occupying two hours in transit. Nevertheless, this is the amount of the bill presented to me, and which then equalled £2 3s. 9d. A lady who travelled with one portmanteau was compelled to pay 17 milreis for the same distance, and no package, if only a bandbox, is carried any distance for a less charge than 2 milreis.* Upon analyzing my account for 35 milreis, I found that the steamer and train charges amounted to 20 milreis, portorage another 5 milreis, and the 'man's trouble'—that is, superintending the handling of the packages from the steamer to the train, and from the train to the platform—was valued at 10 milreis (then 12s. 6d.) These are ordinary charges, and no one seemed surprised when I complained bitterly of 'extortion.' 'We all have to submit to that in Brazil,' was the rejoinder; and I found it to be indeed the case.

In Brazil, as in most, if not all, European countries, the stranger within the gate is regarded as lawful prey, and is despoiled accordingly.

Fortunately, the number of extortions practised upon my humble self was small, and many attempts at others proved unsuccessful. I had found so many friends in the cities and towns I visited, and the amount of attention which I received at the hands of my kind hosts was so complete, that I was

* The rate of exchange when these circumstances occurred was 1 *milreis* = 1s. 3d.; to-day it is nearly 1s. 6d.

practically immune from attacks of this kind so long as I remained under the ægis of their wings.

It was only when I wandered away on my own account, and no longer had them to appeal to for guidance and advice, that I fell a victim to the wiles and wickednesses of that vast assembly of hawks which is always awaiting the uninitiated.

Rio and other Brazilian cities are probably no whit worse in this respect than London, Paris, or New York (certainly not New York), but then it is no better.

The traveller who cannot speak Portuguese is certain to suffer at the hands of all classes of the community—from the tram-conductor who gives him deficient change, to the greasy, microbe-covered porter who carries his luggage from the steam-launch to the hotel, and who will insist, with many gesticulations, that his 'legal tariff' is 3 milreis a package when he would be hugely gratified to receive half a milreis for each piece.

Everything must be arranged by a preliminary bargain ; but once that is arrived at the rest is easy, if the traveller remains firm, and suffers neither cajolery nor threats to move him.

CHAPTER XII

The railways of São Paulo—Early history and development—A rich and prosperous State—Rival scheme for competing with the São Paulo Railway Company—The Bragantina Railway—São Paulo Railway described—New double track—Engineering details of construction—The embankments and cuttings—Remarkable figures—Viaducts, tunnels, and bankheads—The hauling machinery—The head station—Locomotive, carriage, and waggon repair shops—Machinery and appliances—Rolling-stock in detail—Management and staff—State, Federal, and private company lines—Gauge, length, and ownerships

JUST as the State of São Paulo is the most progressive in the whole of Brazil, so is the São Paulo Railway (a British enterprise) the most admirably-constructed and the best-managed railway line in the State of São Paulo.

The history of railway development in this part of the country goes back much further than the inauguration of the São Paulo Railway, however. The first concessions were granted to four alleged capitalists—Messrs. Aguiar, Widow, Platt, and Reid. This was nearly seventy years ago—viz., in 1838—but nothing was done with the concession, and it was eighteen years later—in 1856—when the English Company was formed, and constructed the first part of its line between the Port of Santos and Jundiahy. The Company had the option of extending its line to Rio Claro, but, unfortunately, it did not act upon it; and this line, in 1868, was constructed by a native Company called the Paulista, which subsequently extended it to Campinas, which has now become one of the most important portions of the State. Five years later—viz., in 1873—two native Companies were launched, the Mogyana and Bragantina, the former of which now has 604 miles of track open, while the latter, a shorter line, and which never paid from the beginning, has now been acquired by the São Paulo Railway Company, and is referred to by me more fully later on. Even all these lines do not complete the systems of the State of São Paulo, for there are several smaller ones such as the Bananal, the Araraquara, the Dumont (which serves the famous Dumont Coffee Estates, and is a privately-owned line), the Rezende-



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Terminal Station in the City of São Paulo belonging to the São Paulo (Brazil) Railway Co. Ltd.

This building cost £250,000



Bocaina, the Campineiro-Funil, as well as the section of the Government line, the Central Railway, running from the City of São Paulo to Rio de Janeiro, a portion of which runs through the State of São Paulo.

The great fault to be found with the Government lines, both in this State and throughout Brazil, lies in the efforts made to run the enterprises as political machines. The whole of the staffs in every department, both traffic and passenger, are ridiculously overmanned. Where one porter would suffice there are a dozen, and the same applies to the booking-clerks, the locomotive drivers, the freight-loaders, and all other servants employed. The object of this is to find places for the supporters of the Government, since all these men have votes and take very good care to keep in power the Government which employs them, to the detriment of the State, and adding materially to the difficulties of working the railway.

A good deal, however, has been learned in the matter of management from the manner in which the British line is run; still, much remains to be effected before the Government lines can be considered satisfactory. The improvements which have taken place are principally noticeable in connection with the rolling-stock employed, much of which has been modelled upon approved North American patterns. The Central Railway also possesses some of the finest workshops to be found on the South American continent, having been fitted up under the superintendence of a native engineer who has studied both the efficiency and the economy to be found in European and United States railway shops. But when all has been said that can be said in connection with the native-run lines, there is not one of them which compares for completeness of detail and successful management with the São Paulo Railway Company, the fame and engineering wonders of which are by no means confined to the borders of Brazil.

They are known far beyond; and even the most experienced engineers, who are presumably acquainted with most, if not all, the remarkable mechanical and constructional achievements of the world, give a place to the São Paulo (Serra) Railway, running from the City of Santos, in the valley, to the City of São Paulo, in the mountains. It ranks, indeed, side by side with such modern erections as the Brooklyn and Forth Bridges, and in spite of the enormous outlay which its construction and maintenance involved, it yields the largest and most regular dividends of any railway in South America.

It is no exaggeration to say also that the São Paulo Railway carries the greatest amount of freight at the most remunerative prices of any railway in the Republic of Brazil. The line was the pioneer of English capital in São Paulo; but out of

2,450 miles of line now working in the whole State, only 971, including the most recently acquired Bragantina line, or less than 4½ per cent. of the whole, is under British control. São Paulo is in the very heart of the rich coffee districts of the Brazils, and it is from the carrying of this commodity that the railway earns its large profits. Whether prices be high or low, the amount of coffee it carries is generally heavy, and the Company, which exists as a commercial and not as a philanthropic institution, has disregarded the plea of the planters to lower its prices when coffee is cheap. For this reason it has, perhaps not unnaturally, earned the dislike and hostility of the Brazilians.

In the district served by this line there are some 15,000 plantations, of which more than 11,250 have from 50,000 trees downwards. There are 1,800 other plantations possessing from 50,000 to 100,000 trees; about 1,000 with from 100,000 to 200,000 trees; and nearly 600 huge estates which have anything between 200,000 and 500,000 trees. In a word, there are in this district alone something like 500,000,000 coffee-trees. Out of the total amount of coffee which is shipped from Brazil annually, and which may be put at, say, 10,000,000 bags, each weighing 130 pounds, the São Paulo Railway carries no fewer than 7,000,000 bags. The first half of the year 1904 showed a falling off in the supply of coffee, and this caused the Company to carry many tons less; but this year an enormous crop has been reaped, and the São Paulo line has carried something over the 7,000,000 bags.

A large amount of rough goods is also carried, but these, I understand, pay a very much reduced rate compared with coffee. The passenger traffic, though considerable, owing to the number of commercial men who pass daily up and down between the cities of São Paulo and Santos, does not prove remunerative in itself, and even at the moderate fares charged the number does not much increase. The double journey, which after the first experience becomes rather tedious, is one of some hours from end to end. The Company carries immigrants free into the interior.

It will be clearly seen how important is the line owned by the São Paulo Railway Company. To snatch away some of the rich coffee-carrying traffic which the railway enjoys at present as a monopoly has long been the desire and aim of its rivals; but, tied by the original concession, these efforts have proved impotent. Some months ago, however, a neighbouring, but in no way a competing, line, known as the Sorocabona Railway, became to all intents and purposes bankrupt. Considering the shockingly bad management which had ever characterized it, the result was not in the least surprising. Things had been going steadily from bad to worse since 1896, when the Company

suspended payment of the interest upon its debenture debt. The Federal Government in the end had to take over the line, but with no intention of working it, having already something more than it can conveniently manage with the Central Railway.

As soon as things reached a climax, and the Sorocabana line was in the market, the São Paulo Railway Company offered to buy it up under certain conditions at the price of £3,500,000. But this did not suit the idea of the São Paulo State Government, which, fearing the railway already, dreaded still further putting it into a stronger and more powerful position. Something entirely different had entered the subtle brain of the Government, and this something was to form a combination between yet two other lines running in the same district—namely, the Paulista and the Mogyana Railway Companies, wholly Brazilian concerns—and induce them to purchase the Sorocabana line, and then, with the assistance which the Government would no doubt supply, form a strong triple combination against the São Paulo Railway Company.

Even this scheme, had it come to a successful issue, would not have affected the British Company so long as the terms of its original concession were honestly observed; but the State Government intended, and still intends at an early opportunity, to encroach upon the conditions under which the São Paulo works, by securing for the proposed combination the one essential thing which it lacks, and which the British line alone possesses—namely, an outlet to the sea. This is the greatest and, indeed, the most valuable asset which the British line holds, and which practically gives it the clear monopoly of the whole of the coffee estates' output from the district I have mentioned.

The most vital clause in the English Company's concession sets forth that the Government shall not grant, for a term of years by no means yet expired, rights or concessions to any other competing line building, or wishing to build, a line to the seaport of Santos; and it is precisely this privilege which the São Paulo Government is now trying to evade, or disregard, by conceding to the above-mentioned trinity (the Paulista, the Mogyana, and the Sorocabana lines) a concession to build a new and alternative route from São Paulo to Santos. Unfortunately for the Government idea, the two companies, the Paulista and the Mogyana, refused to combine, and thus the little plot failed at the outset. Nevertheless, the State Government has not relinquished its efforts, nor will it do so as long as a shred of opportunity to put it into execution remains.

As before mentioned, some time ago the São Paulo Railway Company purchased the small but important line known as the Bragantina Railway. Among the conditions which related to

the purchase was one enabling the new owners to construct an extension to a town called Socorro. Without such concession the line itself would be worth little or nothing, and it formed one of the principal assets which the Bragantina Railway had to sell. No sooner had the São Paulo Railway bought up the Bragantina than, under the ægis of the Governor of São Paulo, commenced a conspiracy to rob it of its value by granting another and a competing concession to another Company—the Mogyana—to build a line to Socorro. The São Paulo Railway Company, when they protested, were told that they could still go on with their intended line, and run it side by side with the new Mogyana line. 'There was nothing to prevent them,' only the fact that the total amount of traffic gleaned from the district was barely sufficient to return 5 per cent. to one line.

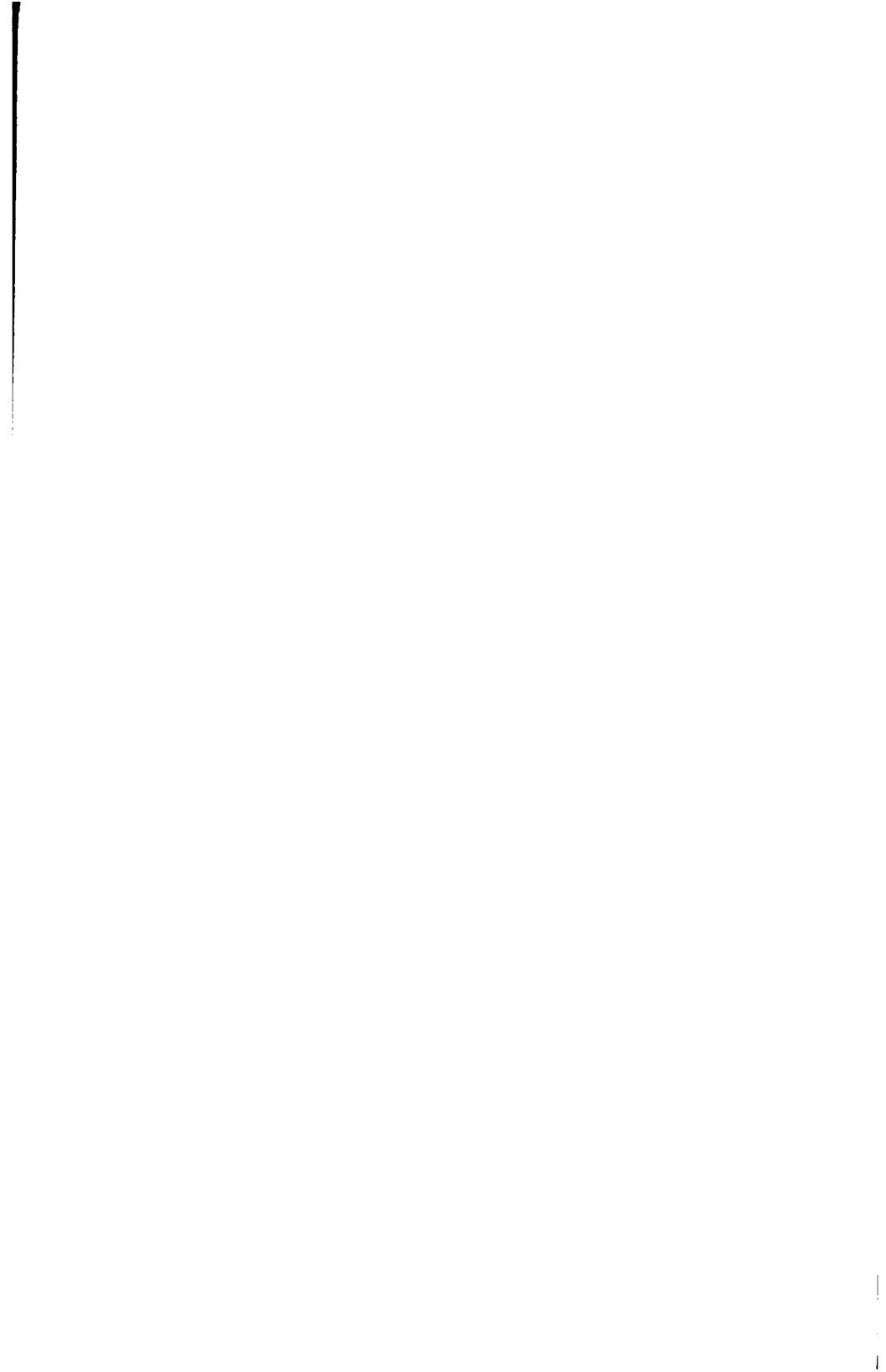
Both from a scenic and an engineering point of view the São Paulo Railway is a marvel of construction. In 1895 the Company entered into a contract to build a double line, instead of the single one which had hitherto done duty, and which, owing to the increasing coffee crop caused by the planting of hundreds of new orchards, had proved totally unable to grapple with the demands made upon it. The actual construction of the new works began a little later, the object being to lay a double track. This necessitated the construction of new inclines on the Serra do Mar. The new inclines were better planned as regards technical conditions, and were built on the same slope above the old ones. The length of this new section of track is 10,598 metres, only 674 metres of it being on a level. This section is divided into the following parts: (1) Five inclines of 1,985 metres, having a uniform grade of 8 per cent. (about 440 metres have a grade of 8.15 per cent.); (2) four intermediate bankheads of 130 metres each; (3) and one bankhead of 154 metres at the Alto da Serra. On the new line there are fifteen tunnels, sixteen viaducts, two bridges, sixty-seven culverts, and forty-four high stone walls, the latter measuring 72,560 cubic metres, and being very solidly constructed. Indeed, I may say that on no railway in the world—and I have examined the greater portion of the different lines in the four quarters of the universe—have I seen either better workmanship or material employed than I found on the São Paulo inclined railway. The description applies to every portion of the line and its equipment—to the permanent way, the supporting walls, the unique bridges and viaducts, the stations, the employees' houses (all built of solid stone), the engine-houses, the goods sheds and stores.

The engineering works on this part of the road are quite remarkable. On the relatively short section of 10.6 kilometres are the sixteen viaducts and fifteen tunnels already mentioned,



PICTORIAL BRAZIL

"Cachoeira Votorantim," in the State of São Paulo



which extend to 2·8 kilometres. On this same section there are about 3 kilometres of retaining walls, and the volume of this masonry exceeds 80,000 cubic metres. Some idea of the amount of earth removed may be gained from the following: There are cuttings of 16·8, of 18·8, and of 17·3 metres in depth, measuring respectively 50,000, 38,000, and 54,000 cubic metres; and, finally, the principal cutting at the Alto da Serra, where a great esplanade was made, has a maximum depth of 50 metres, and the earth removed amounted to 300,000 cubic metres.

The winding engines in connection with the inclines are built right under the track or partly underground, and the engine-houses are located in such a position as to receive light sideways. For the construction of the engine-houses it was necessary to excavate a large quantity of material. In the excavation of tunnels and engine-houses many difficulties were encountered. The draining of the tunnels also presented a complicated problem, causing many surprises. A varied and extensive system of surface drains exist to collect the water which rushes down the mountain slopes, and constitute a thorough system of drainage to protect the road-bed against the invasion of water.

The most remarkable of the several viaducts is that of Grotta Funda, which was likewise the case on the old road. It is 102 metres long, and 44 metres in height at the middle of the ravine. Of the sixteen viaducts on this section of road, two have masonry arches and fourteen are of steel superstructure. The foot of the first incline is only 4·5 metres above the sea-level, while the top of the last incline is 800·5 metres, making a difference of 796 metres. Of this section, no fewer than 4·96 kilometres are in tangents and the rest in curves. The rails are of what is known as the 'Vignole' type, and weigh 46·2 kilogrammes to the metre. The track at present consists of three rails. At the passing places, between the bankheads, the middle rail is converted into two, thus forming a double track and permitting the simultaneous passage of the ascending and descending trains. Similarly, a double track is formed at bankheads, permitting the trains in opposite directions to pass each other.

The three rails are placed 1·6 metres apart from each other, so that the middle rail serves for both the ascending and the descending track. In the centre of each track are fixed at short intervals the pulleys which carry the cable and retain it in position.

The trains are gripped by means of a steel wire cable (0·0425 metre in diameter) of the Lang lay. The breaking stress of the cable is 100 tons, and the working load is one-eighth

this amount. This cable is of enormous strength, and is made by Messrs. Bullivant and Co., Ltd., of London, who designed and supplied the whole of the hauling plant under contract, including engines, boilers, etc., and a more efficient installation could not be wished for. It is worked direct from the winding engine at each bankhead.

Each station has a 1,000 horse-power engine, with two cylinders (diameter, 0'813 metre; stroke of piston, 1'524 metres), and four Lancashire boilers, of which three are always in use. The cables are endless, one to each incline, and are gripped by a special rope grip attached to the locomotive which accompanies each train, consisting of six freight cars or three passenger cars.

On the old inclines, trains were drawn in a different manner, the 'tail-end' system being in vogue. On those inclines the cable had two ends, one of which was attached to the upper end of the ascending train and the other to the upper end of the descending one. The endless cable system employed on the new inclines has many great advantages over the 'tail-end' system, among them being the fact that the trains are free from shocks and the operations generally are much easier to conduct.

On special occasions the ascending train carries a weight of 106 tons, and the descending a weight of 76 tons, so that the engine would apply a force of 550 horse-power. The capacity of the inclines under favourable conditions is 17,500 tons per day (of twenty-four hours), counting traffic in both directions. Under pressure, the capacity may attain 22,000 tons.

In carrying out the work of laying a double track, cuttings and embankments were widened to receive the extra line, and other improvements made to better the conditions of the road.

In São Paulo, the State capital, a magnificent new passenger station was erected in front of the old one, spacious enough to accommodate all the departments connected with the administration of the road. It is by far the most handsome, as it is the most expensive, of its kind in Brazil. The tracks running into this station are below the street-level, and therefore do not interfere with the traffic of the two nearest streets, which cross on bridges above the tracks. The cost of this station and its connections was nearly £250,000.

The splendidly-equipped shops of the São Paulo Railway, situated at Lapa, a few miles from the terminal station at São Paulo, consist of one main building containing the erecting shop, machine, smith's, and boiler shops at one end, and the sawmill, carriage and waggon repair shops, and paint shop at the other end.

The iron and brass foundry with pattern shop form a separate building.

There is also an engine-shed with capacity for forty engines.

The erecting shop is on the longitudinal track system, with three lines of rails provided with pits, and covered by two 30 tons capacity rope-driven overhead travelling cranes, supplied by Messrs. Craven Bros., Ltd., of Manchester.

This shop is 100 metres long by 17·60 metres wide by 10 metres high, and has accommodation for ten locomotives. Alongside it is the machine shop, 88·0 metres long by 16·80 metres wide, the line shafting being driven by a direct-acting (60 horse-power) vertical steam-engine coupled direct to one line of shafting, the other line being connected by a rope drive.

This shop contains the following machinery: twenty-six lathes, including seven wheel lathes, the wheel lathes being driven in a group by a 50 horse-power electric motor, current being supplied by the São Paulo Tramway, Light, and Power Company. Eight drilling machines, four planers, three shapers, three screwing machines, two milling machines, one expansion link grinder, one slide bar grinder, and two eccentric sawing machines.

The heavy machines are served by a 4 ton rope-driven, swing-jib travelling crane, running on a single rail, supplied by Messrs. Craven Bros., Ltd., of Manchester, who also supplied a number of the above-mentioned machines, others being supplied by Messrs. Sharp, Stewart, and Co., of Glasgow.

In this shop there is also placed a Franklin air-compressor (steam-driven) of medium size, with air receiver, for supplying compressed air to the various departments of the main building, the foundry, and engine-shed. Adjoining the machine shop is the smithy, 76·0 metres long by 16·80 metres wide, with twenty-seven forges and three steam hammers, also two bolt, nut, and rivet-forging machines, Horsfall's patent, supplied by Messrs. Greenwood and Batley, Ltd., Leeds, and a spring-testing machine from Messrs. Craven Bros., Ltd., of Manchester.

Then follows the boiler repair shop, 48·0 metres long by 17·60 metres wide, supplied with drilling machines, plate rolls and shears, pneumatic tools being used largely in the work of boiler repairs.

Steam is supplied by two Lancashire boilers, with a special furnace attachment for burning sawdust and refuse from the sawmill. The sawmill with waggon and carriage repair shop, 92·0 metres long by 51·2 metres wide in three bays, is supplied with the usual machines—viz., 1 to 36 inch log frame saw, with 40 feet rack, to saw logs up to 3 feet diameter by 30 feet long; also one large circular saw with two trying-up machines, board frame saw, planing and moulding machine, railway tenoning machine, two general joiners, band-saws, double spindle irregular moulding machine, planing and tenoning machine, etc., with small circular saws, the line shafting pulleys and

belting being placed underground; and lastly the paint-shop, 80 metres long by 17'60 metres wide.

Outside the main shops are small buildings containing plant for waste washing and oil recovery from same, file-cutting and vacuum-brake mounting and repairing on carriages and waggons, together with ample siding accommodation for rough repairs.

The Locomotive Superintendent's office, drawing office, general offices and stores, are contained in a separate building, conveniently situated for communication with the others.

There are over 700 men employed in the works, independently of the running department; there are also engine-sheds at Santos, Viassaguéra, Alto da Serra, São Paulo, and Jundiahy.

The vehicles comprising the rolling-stock are as follows:

24	passenger locomotives	...	...	...	5' 3" gauge
53	goods	...	...	...	" "
18	locomotive "brakes for endless rope system on New Serra inclines	...	...	...	" "
5	locomotives	...	...	...	metre "
86	passenger carriages	...	...	...	5' 3" gauge
29	brake, baggage, and mail vans	...	...	...	" "
2	horse-boxes	...	...	...	" "
2	carriage trucks	...	...	...	" "
2,474	goods waggons	...	...	...	" "
41	cattle waggons	...	...	...	" "
50	ballast "	...	...	...	" "
10	rope "	...	...	...	" "
3	breakdown vans	...	...	...	" "
10	travelling cranes: seven 5 tons, one 10 tons, one 15 tons, one 20 tons	...	...	...	" "
4	travelling steam cranes: three 3 tons and one 10 tons	...	...	...	" "
2	crane counterpoise waggons	...	...	...	" "
1	transport trolley	...	...	...	" "
14	brakes for tail-end rope system on Old Serra inclines	...	...	...	" "
5	passenger carriages	...	...	...	metre "
3	brake, baggage, and mail vans	...	...	...	" "
47	goods waggons	...	...	...	" "
4	cattle "	...	...	...	" "
8	ballast "	...	...	...	" "
1	travelling crane, 5 tons	...	...	...	" "
2,896	...	...	Total		

It would be difficult to recount the amount of success which has attended the working of the São Paulo Railway, or consider its future prospects, without associating therewith the name of Mr. William Speers. This gentleman has been with the Company for nearly forty years, and he may certainly be regarded as its good as well as its guiding 'star.' It is his hand and his careful eye that control everything, from the survey of a new branch line to the ordering of a fresh consignment of paint. Of the comings-in and the goings-forth of every man and boy in the employment of the Company he is aware;



PICTORIAL BRAZIL

Typical view of Brazilian scenery, taken on the São Paulo Railway, and showing engine-house on the old Serra Inclines (see the left-hand side of picture)



and with all his vigilance he is one of the kindest, most generous and most just of employers.

It is the indefatigable Superintendent who is among the first to put in an appearance at the magnificently-built terminus of the railway in the early morning; while the first train, at 6 a.m., never starts from the station without his being there to see it off. I don't believe it would have the conscience to go if Mr. Speers were by any chance absent. It is due to such loyal duty as this, typical of the whole man and the whole system, that the Company possess to-day one of the finest and most admirably-managed railway enterprises to be found on the two Continents.

Not a shadow of complaint of any kind could I detect during my examination of the São Paulo Railway system; but, on the contrary, go where I would and ask whom I might, on all sides and from all ranks came the same expressions of goodwill towards Mr. Speers, his staff, and the Company.

Mr. Speers is equally fortunate in his assistants: in Mr. John Harrison, the Locomotive Superintendent, for nearly twenty-five years in the Company's service; in Mr. Cecil H. Hillman, his capable and conscientious young assistant, whose attachment to his chief and the interests of his employers is not the least of his many excellent attributes; in the Traffic Manager; and in many other tried and trusty officials.

THE RAILWAYS OF THE STATE OF SÃO PAULO.

Name of Company or Railroad.	Gauge (Metre).	Number of Kilometres.
São Paulo Railway	1'6	139
Paulista	1'6	279
"	1'0	711
"	0'6	41
Mogyana	1'0	931
"	0'6	41
Sorocabana and Ytuana	1'0	919
Bragantina (São Paulo Railway) ...	1'0	52
Itatibense	1'0	20
Araraquara	1'0	83
Rezende a Bocaina	1'0	16
Minas and Rio (Federal Government) ...	1'0	25
Dumont	0'6	23
Bananal	1'0	11
Ramal Ferreo Campineiro	0'6	42
Funilense	0'6	41
Dourado	0'6	42
São Paulo and Santo Amaro	1'05	16
Ferro Carril Santista	1'36	9
Central do Brazil (Federal Government)	1'6	120
" " "	1'0	156 = 3,717

The above lines are State or Federal concessions, but in addition to these there are in the State of São Paulo some 240 kilometres of small Municipal lines of 1 metre or of 0·6 metre gauge. Among these is a tramway of 21 kilometres (the gauge being 0·6 metre), which belongs to the State, having been built in connection with the waterworks of the State capital.

The total length of all the railroads in operation amounts to 3,957 kilometres (2,455 miles), when municipal and other roads are counted in. Apart from the British railroads (the São Paulo Brazilian Railway Company, the Bragantina Railroad, which was purchased last August by the same Company, and the Dumont Railway), all the railroads of the State belong to Brazilians, and many are the property of Companies.

Below is a statement which indicates the owners, the gauge, and the length of the roads, including municipal lines which belong to native Companies :

	Kilometres.
Length of lines belonging to Brazilian Companies and Corporations	3,421
Length of lines belonging to Foreign Companies ...	214
" " Federal Government ...	301
" " the State of São Paulo ...	21
Total	3,957

Or, classified according to a different principle :

	Kilometres.
Lines of 1·6 metre gauge	538
" 1·0 " " 	2,995
" 0·6 " " 	399
" 1·05 " " 	16
" 1·36 " " 	9
Total	3,957

SÃO PAULO RAILWAY COMPANY.

(Main Line, 5' 3" Gauge.)

	Kilometres
Length of line in traffic { Locomotive double line ...	129·643
{ New Serra inclines... ..	9·823
Total	139·466

	Per Cent.
Straight line	57·50
Curves of radius \geq 1,000 metres	4·19
" " < 1,000 metres and $>$ 300 metres	38·12
" " < 300 metres	0·19
Maximum curve, 1609·31 metres	
Minimum curve, 250·00 metres	
Level line	24·74
Gradients of \leq 0·005	22·07
" " $>$ 0·005 and \leq 0·01	13·88

	Per Cent.
Gradients of $>0\cdot01$ and $\leq 0\cdot02$	22'46
" " $>0\cdot02$	11'42
New Serra $\leq 0\cdot08$ and $\leq 0\cdot0815$	7'04
Old Serra $\leq 0\cdot1025$ and $\leq 0\cdot111$	5'43
Maximum gradient on locomotive line	0'025
" " of Serra inclines, new	0'0815
" " " old	0'111
Number of bridges, 3 metres to 20 metres ...	32
" " 20 metres upwards ...	22
" tunnels	14

Weight of new locomotive rail (per metre), 44'650 kilogrammes.

SÃO PAULO RAILWAY COMPANY.

(Bragantina Section, 1 Metre Gauge.)

	Kilometres.
Length of line in traffic	51.750.00
	Per Cent.
Straight line	55'21
Curves of radius $\leq 1,000$ metres	1'02
" " $< 1,000$ metres and > 300 metres ...	8'72
" " < 300 metres	35'05
Maximum curve	1614'00 metres
Minimum curve	111'50 metres
Level line	1'06
Gradients of $\leq 0\cdot005$	34'44
" $> 0\cdot005$ and $\leq 0\cdot01$	22'34
" $> 0\cdot01$ and $\leq 0\cdot02$	11'23
" $> 0\cdot02$	30'93
Maximum gradient on locomotive line	3'234
Number of bridges, 3'00 metres to 20'00 metres, 4	
" " 20'00 metres upwards (= 1 of 35 metres), 1	
" tunnels, nil	

Weight of rail (per metre), 22'322 kilogrammes.

PART III

CHILE

CHAPTER I

Chilians and Britishers—Remarkable geographical features of the country—
Early troubles—Government—Future development—Chilian nationality
—English parentage—The travelled and untravelled Chilian—Bribery
at elections—British and German colonies—Wanted a 'British' Vice-
Consul!—German unpopularity—Good citizens but bad neighbours

THE one abiding regret which I feel in regard to my visit to Chile is that so little is known about that country in England, and so little is known about England in Chile.

I feel certain that were the British and the Chilians more closely connected geographically, they would be greater friends than they are. There is much in sympathy between us, and the cultivation of trade relations would inevitably result in a greater feeling of friendship and confidence between the two nations.

Chile is a remarkable country from many points of view, not the least of which is its geographical configuration. It is about 3,000 miles long by about 100 miles wide, and offers an enormous variety of climates. This may be accounted for, not alone by the narrow width of the country, but also by its enormous length of sea-coast, its snow-capped ranges of mountains, the vast desert on the North, and the dreary Magellan region of almost continuous rains on the South. The most beautiful part of Chile is undoubtedly that of the central valley, stretching away from Santiago down south; it is a veritable paradise, so far as scenic and climatic conditions are concerned.

The Republic, like all South American States, has had its troubles. These have assumed the form of wars with neighbouring States and internal revolutions. The Republic secured its independence after a long and stubborn conflict with Spain, separate government being established on February 12, 1818. Then came a series of experimental trials of

self-rule, but the people eventually settled down in 1833 with a Political Constitution, which exists to-day with but few modifications.

Although the present Government is popular, there is, as in all Republics of South America, a continual current of seething discontent, which now and again breaks out into open revolt. It is a truism to say that a Republic is the least free form of government which exists; it must inevitably be so from a variety of causes, not the least of which is the arbitrary conduct of a President, who is usually a military man, and deals with political subjects with military severity. In Chile, as in all Republican countries, there exists the fetish love of Democracy, which, however, has less effective control over the working of the Government than has a monarchical country like that of Great Britain, where the proper control is more real than nominal. The legislative power of Chile is composed of two Chambers, Senators and Deputies: the former having thirty-two members, elected by direct accumulative vote, and the latter consisting of ninety-four members elected in the same manner. The President, whose term of office lasts for five years, is chosen by electors appointed by the people. The President's Cabinet consists of eight Ministers, representing the Interior, Justice, Treasury, Navy, Foreign Affairs (Church and Colonization), Public Instruction, War, and Industries and Public Works.

It is not many countries—Christian or Pagan, of the Old World or New—that can sustain with equanimity any sudden and sensational accession of prosperity.

The only fear which I entertain for the future of Chile—perhaps I should say the immediate future, for as to the ultimate destiny of this country I entertain no doubt whatever—is that it may proceed too rapidly upon the road to success.

From a lengthy and continuous period of depression, during which the financial and economic conditions of the country were at their lowest ebb, Chile suddenly finds itself well advanced on the highroad to wealth, power, and influence. From a practical nonentity in South American politics this remote Republic to-day finds its position as an entity a very prominent one, shortly to be still further distinguished. The voice of the Chilean people must henceforth possess both interest and influence in the councils of Argentina, Peru, and Bolivia, for its relations with all three neighbouring Republics have undergone a complete transformation during the past twenty years, and more especially during the last five.

With so much success heaped upon them, the Chileans could very well have their heads turned, as might easily occur to other and older nations. But there is a fund of sound common-sense among the people, which may, and I believe will, lead

them to regard their present position with sobriety and moderation, and, above all, cause them to dwell upon the beneficial observance of the old adage *festina lente*.

The number of big undertakings which Chile has in hand at the present time, and which must take a considerable period to complete, includes the construction of two very important and costly railways—that known as the Transandine Railway through the Andian Mountains, and one to the port of Valdivia, across another range of mountains and at least two rivers; the installation of a complete drainage system at Santiago and the repaving of the whole of the City, possessing 320,000 inhabitants; the construction of docks at Valparaiso; and the erection of a number of fine Governmental buildings in the Capital.

Excellent as these schemes are, and much as they are needed, the cost will be exceedingly high, probably from £8,000,000 to £10,000,000, which is a good deal even for a prospectively prosperous country, with a total population of only 3,700,000, to undertake. That Chile can at present obtain as much money as she requires from Europe is probably true, for the House of Rothschilds, in a telegram to the Chilean Government in January last, observed that 'further borrowings for public works in the Republic would be a matter of no difficulty when necessary.'

It must also be borne in mind that many, if not all, of the above-mentioned undertakings will prove reproductive, especially the Valparaiso docks and the two railway extensions. Even the Santiago drainage scheme has its financial recommendations, since it will unquestionably save the lives of numerous adults and children, who die off at an alarming rate owing to the defective drainage of the City to-day.

It is scarcely credible that in such a magnificent and naturally health-giving climate as that of Santiago, which is as pure and wholesome as any to be found in the world, the death-rate of the City sometimes amounts to 42 per thousand, arising principally from small-pox and typhoid-fever ravages. Thus, by the saving of life the new drainage scheme, estimated to cost £1,500,000, is abundantly justified, considered from a humanitarian point of view alone.

That great and debatable question of the nationality of native children born of English parents is not as prominent here as elsewhere in the world. I never knew an individual, man or woman, whose parents came from the Old Country, and whose birth took place in the land of their adoption, but fought strenuously for the claim to be called an Englishman or Englishwoman. I suppose that there is a completely satisfactory legal solution of this much-vexed question, but which I am neither disposed to discuss, nor, indeed, capable of discussing.



PICTORIAL CHILE

The Colorado River from the bridge, showing the Cordilleras in the distance



In Chile, however, there are found numerous men and women who, besides clinging to their Chilian nationality, have gone so far as to abandon the use of their parental tongue altogether. One meets with numerous individuals bearing such distinctively British names as Williams, Cox, Perry, Thompson, Walker, etc., and whom naturally one expects to find at least understanding English. But in spite of the fact that their parents may have been settled only a few years in Chile before giving birth to their children, and may perhaps retain tender remembrances of the Old Country, their offspring are to all intents and purposes Chilians out and out, and neither speak nor understand the English tongue.

One never hears them talk of England as 'home,' as do British Colonials or settlers in all other parts of the world, although to them the land of their fathers or grandfathers may be but a name, and perhaps destined never to become anything more. There is neither love for nor much knowledge of the Mother-Country among the British-born Chilians, and one can but regret the fact that the feeling of patriotism, usually a marked characteristic of Britishers and their offspring, no matter where they may have been born, is so little fostered. Certain it is that if they find no attraction in the land of their fathers, the home of their adoption can be but little dearer to them, except as a place of residence.

Politics in Chile are pursued by the people with more or less of a perfunctory interest, and although some of the foreign-born element, notably the Germans, participate in the excitement and intrigues prevailing at election time, the British-born residents show but small interest, and have seldom been found among the reactionaries in times of revolution.

There is probably no more politically-ridden country than Chile, unless it be Brazil; but in spite of this, the running of politics is in the hands of only a small proportion of the population. Thus we see the anomaly of a minority making and unmaking laws for the majority. As a matter of fact, it is said of Chilians—what has always been said (and truthfully so) of Americans—'No respectable man ever goes in for politics.' It is equally certain that such who do brave the loss of their reputations have cause for regret sooner or later, for the path of the ambitious politician in Chile is a very thorny one indeed, and must be followed with an apparent indifference to public opinion, and a pocket full of 'persuasion' in the form of current coin of the realm, destined ultimately for the 'free and independent' elector.

Such experiences are not altogether unknown in our own land of light and liberty, so that perhaps it is sufficient to merely chronicle the fact that Chile is in line with the rest of

the civilized world so far as the conduct of public elections is concerned, and to reserve all roving comment thereupon. It is dangerous for people who live in glass-houses to cast stones, and having seen something of the means employed in Merry England during election times, I do not feel justified in posing as *censor morum* or in condemning the proceedings which happen in Chile during such periods of public excitement.

Where one finds Chilians born of British parents, especially in the larger cities, such as Valparaiso, Santiago, etc., who have visited the old country, there is a partial abandonment of provincialism, and even some affection for British institutions.

It is only among the non-travelled Chilians, who have heard of but have never seen England, that the indifference I have mentioned prevails. Among the latter class, men and women alike, the English language, where used at all, is spoken with a curiously broken and uneven accent, which reminds one of a foreigner who has been but a short while in the country. It is not at all a musical or a pleasant eccentricity, and after a time becomes wearisome to the listener. The Chilians have also a very curious mannerism of interrogating the listener at the end of nearly every sentence. Thus, the observation is made, 'On going out of this house you turn to the right—no?—and there you will see the place you want—no?—but be careful to take the turning opposite—yes?'—and so on. Almost every conversation, whether it deals with the giving or receiving of information, is peppered with these useless 'no's' and 'yes's.' It is suggestive of the Frenchman's 'N'est-ce-pas?' and the German's 'Nicht wahr,' or even our own 'Do you see?' But the Chilians use the interrogative far more frequently than does any European, and with much less reason. The Spanish-speaking Chilean indulges in exactly the same mannerism in the vernacular, and it is probably from this fact that the British-born inhabitant derives the habit.

The travelled Chilean is usually a very pleasant and cultured person, and is as hospitable and intellectual as it is possible to be. The untravelled inhabitant, as a rule, however, is, as might be expected, both intolerant and ignorant of anything that goes on outside his or her particular sphere. Even current European politics are disregarded, and references to well-known—I may say to world-known—authors, living and dead, are received with expressions of blank ignorance and confessed to with no shame whatever. 'Chile is so far from there,' a lady once observed to me when I asked her what she thought of Tolstoi's influence on Russian society. She had heard of Russia, incidentally, because her illustrated paper had spoken of a certain 'Russian-Japanese war'; but she had never heard

of Tolstoi, and wanted to know if it was the name of a battle or of a Grand-Duke. Such is fame in Chile !

In some parts of Chile barely a single Englishman or an English-speaking person is to be found ; in others, English is quite a recognised language, and spoken alike by native-born and British-born Chilians. Valparaiso, in the centre of Chile, may be cited as a type of this latter, where some 3,000 English, or born of English stock, may be found, and who are catered for by two English weekly newspapers. On the other hand, Valdivia, in the South of the Republic, is almost entirely a German colony, and, as a matter of fact, there is at present but one Englishman living there, although there are several North Americans, of course speaking their own tongue.

Such a paucity of Britishers exists at Valdivia, important place though it is, that no one could be found suitable, from a nationality point of view, for the position of Vice-Consul, the one Englishman, above referred to, being deemed unacceptable for some reason. Therefore the Vice-Consulate is in the hands of a Swede, Mr. J. Theodor Holm, and a very courteous and intelligent official he is. The Consular office has seldom been better represented than in the person of Mr. Holm, who enjoys the respect and the confidence of every section of the community, and is friendly with everyone in the official world.

It would be idle to deny that throughout the Republic of Chile the German element is exceedingly unpopular, both with the Chilians themselves and with other foreigners living there. I have noticed the same thing existing in other parts of the world, particularly in South Africa and the West Indies. The Teutonic emigrant, while possessing nearly all the attributes most admirable in a colonist, somehow displays a remarkable antipathy to his neighbours, which engenders the same feeling for him. If a German settles down in a new community he will speedily thrive and become well-to-do. He will not break the law, nor offend his competitors openly ; but he will soon earn their suspicion, and from suspicion dislike is rapidly begotten.

I have often endeavoured to probe the reason for this extraordinary inability of the Teuton to make friends with his neighbours, and I can only think that the antipathy arises from the natural closeness or, as our Scotch friends call it, 'nearness,' of the German. Naturally careful of the 'saxpences,' again like the canny Scot, he is seldom inclined to dispense one when only his neighbours', and not his own, interests are concerned. In the lists of public subscriptions towards this or that charity one but rarely finds the name of a German. He will pay the taxes that everyone else pays, promptly, if not willingly ; but he won't contribute a single farthing more than he can possibly help. He spends but little upon himself either, his principal

object being to save as much as he can, and then send his savings back to the Fatherland.

This is a great cause of complaint which the Chilians have, and freely explain, against the German residents. They protest that, while these Teutons take all they can out of the country, they put little or nothing into it. To a certain extent, for the reasons I have cited, the complaint is justified; but, at the same time, it must be admitted that but for the German enterprise, capital, and industry, the progress of Southern Chile, at least, would have been considerably retarded, since the Chilians themselves forsook this part of the country almost completely after the final expulsion of the Spaniards from the district.

CHAPTER II

The judicial power—Formation of courts—Strange stories concerning the administration of justice—Cruelty to animals—Harrowing spectacles of inhumanity—Prosecutions found useless—The crime of drunkenness—Efforts of the Government to suppress it—Heavy tax on raw spirits—Blunders of the law—Education—Government and private schools—Chilian teachers' school—A model establishment

IN Chile the judicial power is exercised by means of permanent tribunals, some being formed of one member and others of several members. Nominally, these tribunals are 'independent of all other authority'; but, as a matter of fact, they are very much influenced politically, as is the case in all Republics, the United States of America not excepted. The Courts consist of a Supreme Court of Justice, which sits in Santiago, and is composed of seven Judges, and the Court of Appeal, which sits periodically at Tacna, Serena, Valparaiso, Santiago, Talca, and Concepcion, and which is composed of from four to fifteen Judges. Each Department of the Republic has one or more Justices of the Peace, whose decisions can be revised by the Court of Appeal. Petty cases are adjudicated upon by Sub-delegation and District Judges, who are like our 'Great Unpaid,' sitting without remuneration, and their decisions are frequently as absurd and contradictory. They are appointed by the Intendente, or Prefect. It is a fact that juries only sit for cases of abuse of the freedom of the press, the very cases in which, one would say, they would be of no use, if one may judge from experience of trial by jury of like actions heard in England.

Perhaps the Chilian legislators who turned their faces against trial by jury remembered the lines in 'Measure for Measure':

'The jury, passing on the prisoner's life,
May in the sworn twelve have a thief or two
Guiltier than him they try.'

Many and various are the stories current throughout Chile as to the deplorable condition of Justice, or what passes as such, in the Republic. Even allowing for the usual exaggeration and prejudice which must inevitably be imported into *ex parte* state-

ments, there can be no doubt that the administration of the law in Chile is, for the most part, in the hands of a very pliable and corrupt body of men, to whom bribes are as their daily bread, and, indeed, form the principal method of their earning it.

Unfortunately, the blame for this state of affairs rests to a very great extent with the miserably inadequate rate of payment made to the Judges, who are left to make what they can from the litigants. Some of the minor Judges receive no more than \$400 a month—say about £25—and how a man, with possibly a large family, can be expected to maintain any state, and at the same time live honestly, on such a sum is a question which only the inspired can determine satisfactorily.

In Chile, as I have said, there is no jury system, and all cases, civil and criminal, are tried by a single Judge, or sometimes by two or three Judges sitting as a Divisional Court. There is no sort of *decorum* or ceremonial in the Courts here, and everyone pursues a more or less free-and-easy manner, which is entirely foreign to European notions of the dignity possessed by, and respect due to, a Court of Justice.

Instances have occurred, and are actually on record, of Chilian Judges having been convicted of being partners with litigants who have come before them; and at least two notorious instances exist of a Judge having actually been concerned in the commission of a robbery with violence. In this particular case public opinion was so outraged, and the guilt was so clearly brought home to the culprit, that he was compelled by threats of bodily harm to resign his judicial position. But he still practises in the capital as an advocate, and is the possessor of some sound house property, which it is not denied was purchased by him with the proceeds of certain overt acts and the acceptance of bribes during his lengthy term of office.

One need not be a particularly tender-hearted person when travelling in South America to have one's feelings deliberately and continually outraged at almost every hour of the day by the revolting cruelty inflicted upon the dumb creation. It is an astounding fact that this terrible fault is most common in Roman Catholic countries, and less noticeable among, although not altogether absent from, Protestant communities. Whether this fact arises from the more careful teaching of the Divine law relating to kindness to animals which is prevalent in non-Catholic countries, I cannot say; but assuredly more callous disregard for the brute creation is noticeable in France, Italy, Spain, and Latin-America than any other country that I have visited.

In Chile, as in Brazil, the Argentine, and Uruguay, men, women, and little children, admirable as may be their characters from every other point of view, possess not the merest element



SANTIAGO-DE-CHILE

The Cerro, or Hill, of Santa Lucia, in the central part of the city
This is a small hill, 250 feet high, converted into a beautiful garden with statues, open-air theatre,
restaurant, &c.

of consideration for living animals. Chickens are carried to market in bundles, with their legs tied together and their heads hanging down, or they are thrown with their legs attached by pieces of string to struggle madly on the ground. I have seen as many as five or six broken legs among as many unfortunate fowls awaiting purchasers. They are left for hours without a drop of water in a baking sun, and the pitiable spectacle may be witnessed any day of hundreds of gasping, gaping birds, with broken and distorted limbs, panting out their wretched lives upon the pavements. Turkeys, geese, guinea-fowls, and ducks are subject to exactly the same treatment, being hurled about as if they were lumps of senseless wood instead of living, suffering creatures.

No train passenger travelling through the agricultural districts of Chile and the Argentine can avoid the sorrowful gaze of the patient, pleading bullocks and oxen, packed together in uncomfortable and filthy trucks, with barely enough space allowed them to move their horned heads without thrusting out each other's eyes. These poor brutes are sometimes left, shunted into sidings on the railway line, for from twelve to twenty-four hours, and even longer, without a single drop of water to drink or a blade of grass to eat. They arrive in a truly wretched condition at their journey's end, and it often happens that several are dragged out of the trucks dead.

Horses, mules, and draft oxen are no more fortunate in their treatment. The latter are goaded on by means of long pointed sticks, which are thrust into the ribs and often laid heavily across the nose and eyes. Until quite recently, when a tardy Government measure was passed through the Chilian Congress to prevent its continuance, native ox-drivers inserted a sharp and long nail in the end of their prods, even as the donkey-boys do to this day in Egypt.

I have again and again remonstrated with South Americans upon this barbarous cruelty to dumb animals; but, although my observations have been received—as is only natural among such a courteous and polite people—with respect, I am convinced that I have been regarded as a mild kind of lunatic whom it is as well to humour. These people simply do not *understand* the meaning of the word 'kindness,' as applied to animals. 'As well apply deference to a table or lavish affection upon a window-shutter,' they would reply; the Latin race will never think as we do on this subject, and all the Protection Societies in the world will never bring about any alteration in this direction. Prosecutions, where the law admits of any, merely effect a temporary cessation of brutal practices, and as soon as the punishment has passed the effect passes with it. Protection Societies, which can exhibit an annual list of prosecutions and

finer or inflictions of imprisonment, imagine that they are stopping the evil. They are doing nothing of the kind: they are merely avenging the unfortunate animals who have suffered. But that is something to be thankful for, and that something would alone justify the Societies' existence.

One of the most common vices in Chile, and especially in the South of the Republic, where the Indian element commences to assert itself, is that of drunkenness. The details, if published, of the awful crimes which have occurred in this part of the country—crimes awful alike for their number, their frequency, and their ferocity—would rend the hearts of our good temperance advocates at home, and their contention that drink is the direct cause of nine-tenths of the crime committed in the world would receive abundant justification. It was many years before the Government attempted to interfere by legislation with the propensity of the Chilians for getting blind-drunk every payday, and their efforts in this direction were at first perfunctory, and, as a consequence, entirely useless.

As, however, the entire population of the South, by no means numerous then or now, threatened to become extinct altogether by reason of the sanguinary encounters among the people inflamed by drink, practical legislation was passed on January 18, 1902, and has been rigorously enforced, so far as it goes, since then. The Government could not prevent the people from drinking raw spirits unless they embargoed the spirit itself, and this was the form which the Act of Congress took. Formerly the South of Chile in general, but the town and district of Valdivia in particular, did an enormous trade in the distillation of the raw spirit both from the grain and the grape. It was the first-named that was found to possess the worst elements of intoxication and the greatest popularity with the common people. Upon this dangerous poison, therefore, a heavy duty of 85 per cent. was put, and this prohibitive tax has successfully killed that particular industry in Valdivia, whose lamentations anent being 'completely ruined,' of which I heard on all sides before visiting that town, are little heeded. I found few evidences of the town being 'ruined,' although, no doubt, those who lived by means of grain-distilling and thrived apace upon the degradation and degenerateness of their fellow-creatures have had to follow more honourable, if somewhat less profitable, means of livelihood. For the rest, as the tax upon grape-distilled spirit, locally known as Pisco, amounts only to 40 per cent., and the manufacture, therefore, still yields substantial profits, the actual beneficial effect of the new law upon the sobriety of the populace is not very perceptible. Drunkenness still continues among the people to a perfectly alarming extent, and has apparently secured so deep a hold upon their habits that it will

need something more drastic than the above-mentioned measure to effect a radical alteration. Still, praise is due to the Government for having done what it has. The next step must be to punish more sternly criminal acts committed by those who plead 'drink' as an excuse.

At present the criminal law in the whole of Chile is a positive scandal, and in no country calling itself 'Christian' is crime more common or less severely punished than here. Murderers walk about in the open daylight, and do not blush; while public threats of deadly vengeance are nearly always carried out, and with perfect impunity.

The absurd anomaly is witnessed of an unfortunate individual, whose house is accidentally burned over his head and his entire possessions (uninsured) consumed by fire, being marched off to prison and being kept there 'pending inquiries,' while a blood-stained murderer, openly boasting of his crime, is allowed to perambulate the town, or at the worst is incarcerated in a police-cell for a few weeks and then released, without having to stand any form of trial.

Where life is reckoned of so little value and is so recklessly squandered, it is little less than astonishing to find a Government troubling itself about the morals of the people from a sobriety point of view. It is assuredly a case of heeding the mote and neglecting the beam. The direct relationship existing between drink and crime seems to have stirred the law to take a certain amount of action; but it has stopped less than half-way on the march to improvement.

Under the present slowly progressive administration in Chile much attention is being devoted to educational matters, and President Jerman Riesco believes with Pope that

'Tis education forms the common mind:
Just as the twig is bent the tree's inclined.'

His Excellency, however, knows his countrymen too well to be deluded into the belief that the benefits of education are destined to effect very much improvement for a generation or two yet. The Chilians are too deeply rooted in ignorance and superstition to respond at once to the endeavours being made to lift them out of the depths to more exalted heights. But much may be done by time and patience—*vide* the position of the Argentine to-day compared with what it was, say, five-and-twenty years ago.

The Constitution of Chile declares that public education shall receive special attention from the Government, that Congress shall establish a general system of public education, and that the Minister of Public Instruction shall present each year a Report of the condition of the public schools throughout the Republic. There is a fine national University established at

Santiago ; a Catholic University (nearly all well-known French, English, Italian, and Spanish University degrees are recognised in Chile) ; a National Institute ; School of Practice ; High Schools at nearly every town of 5,000 inhabitants ; and for the whole Republic there are 1,426 schools known as 'public,' with about 700 'private' academies. In a country with a population scarcely exceeding 3,500,000, with but 5'03 inhabitants to the square kilometre, this is by no means a bad record.

The town of Chillan would alone be notable for the excellent Government School for Teachers. This well-conducted and practically-conceived institution is one of four similar Schools built and entirely supported by the Government for the purpose of training young men to become schoolmasters. I know of no quite similar institution as this in any other part of the world, for the Government not only provides free education, but board, lodging, books, and all materials employed in the youths' studies. Furthermore, the pupils are all found situations in the National Schools as soon as they have thoroughly qualified themselves. Throughout the Republic there are some 2,000 National Schools, and those which I visited, through the courtesy of the Minister of Public Instruction, appeared to be very well conducted and as well attended.

The pupils of the School for Teachers, of whom there are at present some 150, enter at the age of from fourteen to sixteen, and remain for five years. They study for ten months of the year, and make vacation for the remaining two. The school breaks up on January 1 and reassembles on March 1.

Nothing that can conduce to a healthful and useful scholastic career is overlooked ; in fact, the impression created on my mind on going over this establishment was that if a Government could by any possibility be too prodigal in matters of public education, it had been so in this case. But I do not think such a charge can or should be brought against any Government having so thoroughly at heart, as has that of Chile, the elevation of the lower classes of the community, with whom, as has been proved again and again in other countries, it is only possible to successfully deal through the advantages of education. It must also be remembered that all the pupils at this school are themselves consecrated to the shrine of Knowledge ; therefore their own education should lack absolutely nothing in completeness or thoroughness, and I am bound to say that the Teachers' School at Chillan is deficient in little, and a model establishment of its kind.

Upon the very sensible principle *orandum est ut sit sana in corpore sano* the founders of this School have devoted the closest attention to the health and physical culture of the pupils. Two

spacious recreation-grounds, where games are encouraged; a splendid gymnasium, fitted up and conducted entirely upon the much-approved German regimental style, large and airy dormitories, and plentiful but quite plain living, prepare the boys for their future careers by instilling a wholesome liking for clean and healthful living.

All subjects are taught—English, French, German, and the dead languages; music (violin and singing only), composition, and such subjects as carpentering, gardening, fruit-growing, and bee-keeping; while special trouble is taken with drawing and chemistry.

In the physical department the study is made doubly attractive by numerous wonderfully-constructed models, especially of the human frame and animals. Most of these models, I learned, came from Germany, and certainly nothing better of their kind could be obtained. An enormous glass-domed central Hall enables the pupils to assemble and amuse themselves during inclement weather. The School is under the headmastership of Don Juan Madrid, who, although quite a young man, has proved himself to be one of the most capable and efficient 'heads' that could be found. Under Don Juan Madrid's reign the School has been successful in turning out some brilliant young men, who have now gone out into the scholastic world to help disseminate the knowledge which they have for the last five years been storing up, absolutely without incurring a penny of cost to themselves or to their friends.

CHAPTER III

Interior towns of Chile—Los Andes—Wooden houses and wooden towns—Talca—Its attractions and distractions—The people described—The industries of Talca—Factories and climate—The Chilian at home—The high-class Chilian a veritable Chesterfield of politeness—Clubs—Heating of houses—Oehninger, Smits and Company's match factory—A bedstead factory—Weston and Ness's biscuit factory—The British Vice-Consul

LOS ANDES, the first Chilian town arrived at after crossing from Argentina, is a typical Spanish town of about 2,000 inhabitants, whose various particular occupations seem to be somewhat obscure, but whose personal appearance suggests that of professional highway robbers. As a matter of fact, however, the town is a tolerably orderly one—for South America—and in the many periodical disturbances which have taken place in Chile, and which will doubtless continue to take place so long as South Americans are South Americans, Los Andes has assumed rather a back-seat, and the criminal statistics, if kept, would in all probability show a praiseworthy decrease in favour of that town.

The streets are very straight and not too narrow, while there are one or two 'Avenidas,' or boulevards, which contain some fine rows of trees, and the inevitable irrigation canals on either side; but the buildings are poor. The houses, as a rule, are of one story and built of stone, of which inexhaustible supplies come from the neighbouring mountain quarries.

The chief charm of Los Andes lies in its situation at the foot of the superb range of Cordilleras, which tower above it far into the deep-blue heavens. Rain scarcely ever falls here, but in winter the cold is very great, often reaching 18° or 20° below zero. The people form a hardy but physically unattractive community, and live on very little. Money is insufficient to be hoarded, and there is but one insignificant local bank in the whole town. The rate of wages is also very low, and many of the people work long hours for a small pittance, which in the neighbouring South American States would be scoffed at.

Upon the mind of the casual traveller visiting the interior towns of Chile for the first time, the generally depressing effect must be considerable.

There is something especially unattractive and even repellent about a town built almost entirely of rough and uneven boards, and, whereas I have seen some wooden-built towns in Canada, Western Australia, and New Zealand which were quite picturesque by reason of the brightly-painted doors and windows and the gaily-planted gardens in which the houses stood, there is absolutely nothing of the kind to be met with in Chile. These interior towns bear a wofully strong family likeness to one another. Talca, Chillan Temuco, Victoria, and Petrufquien—all are exactly the same in regard to the construction and appearance of the streets and people.

For some curious and altogether unexplained reason the good folk of Talca imagine that their town is really beautiful! I have heard them declare so with a confidence and a belief which are altogether touching. It is perhaps Providential that they should labour under this pleasing delusion; but I never met anyone living outside of Talca itself who in any way shared it. The bright Chilian sun shines down upon a monotonous row of one-storied, untidy-looking wooden shanties, all of a dirty neutral tint, formed of rough-hewn boards nailed lengthwise to upright beams. The roofs are composed either of uneven red tiles or corrugated iron sheetings, and the outhouses are mere tumble-down rabbit-hutches, with their doors usually hanging by a single hinge, and the roofs more or less open to the elements. Perhaps this is as well, considering that the structures are provided with no other means of ventilation.

Of such residences there are rows and rows in endless monotony, each running at right angles to the other, and diverting from a common centre grandiloquently termed 'La Plaza.' This is as often as not a dreary, dusty square, planted with a few weedy, dust-laden trees of the blue-gum or poplar species, whilst the centre is occupied by the inevitable bandstand, where the inevitable Chilian brass band discourses sound politely but inaccurately termed 'music.' The Plaza is furnished with some seats; and up and down, round and round, and in and out among the neglected and stunted flower-beds, promenade the inhabitants after sundown, the march being somewhat funereal in character, and the whole aspect of the place and people depressing in the extreme.

The majority of the houses consist of but two or four rooms, except the better-class structures, which usually can boast of six or even eight apartments. Wood is used everywhere in construction, for walls, floors, and ceilings; consequently, whatever is said or done in one room is clearly audible in every other part of the house.

The poorer residences are generally found to be in a filthy

condition, and it is easy to understand how it is that so many victims are claimed by both small-pox and typhus every day of the year. Especially shocking is the infant mortality, which averages 73 per cent. of the births.

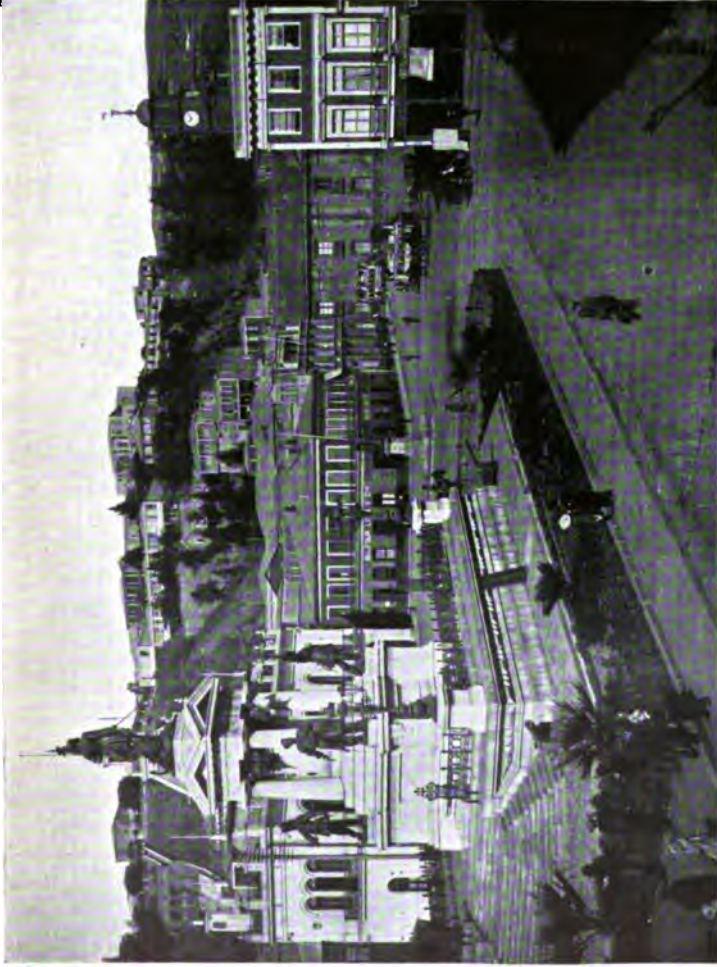
It would be probably no exaggeration to say that the Chilian working man (Indian breed), his wife and his children, do not wash their bodies from the beginning to the end of the year. Even their faces bear testimony to the extreme dislike which they evince to the use of cold or of any kind of water, while if one were to offer them a cake of soap, in all probability it would be mistaken for something good to eat.

The ingrained dirt visible on the men's faces and hands, probably the untouched accumulation of months' dust and sweaty grime, is well matched by the filth on those of the women. Their black, greasy hair hangs neglected straight down their backs or clumsily plaited and thrown behind. It is often alive with creeping things, and keeps the owner busy scratching and hunting for the evasive enemy.

Naturally, the children, of which each house possesses a full complement, are equally neglected. Their original dark and swarthy skins become almost Nubian in hue from thickly-coated dust and the unwashed stains of numerous feasts. Their eyes are often running with sores, and form the resting-place of innumerable flies. Their play-ground is the reeking floor of the living-room, and here they may be seen gambolling happily enough amid the refuse of many days' cooking—onions and potato-peelings, the discarded bones of partly-consumed animals, and many empty kerosene cans.

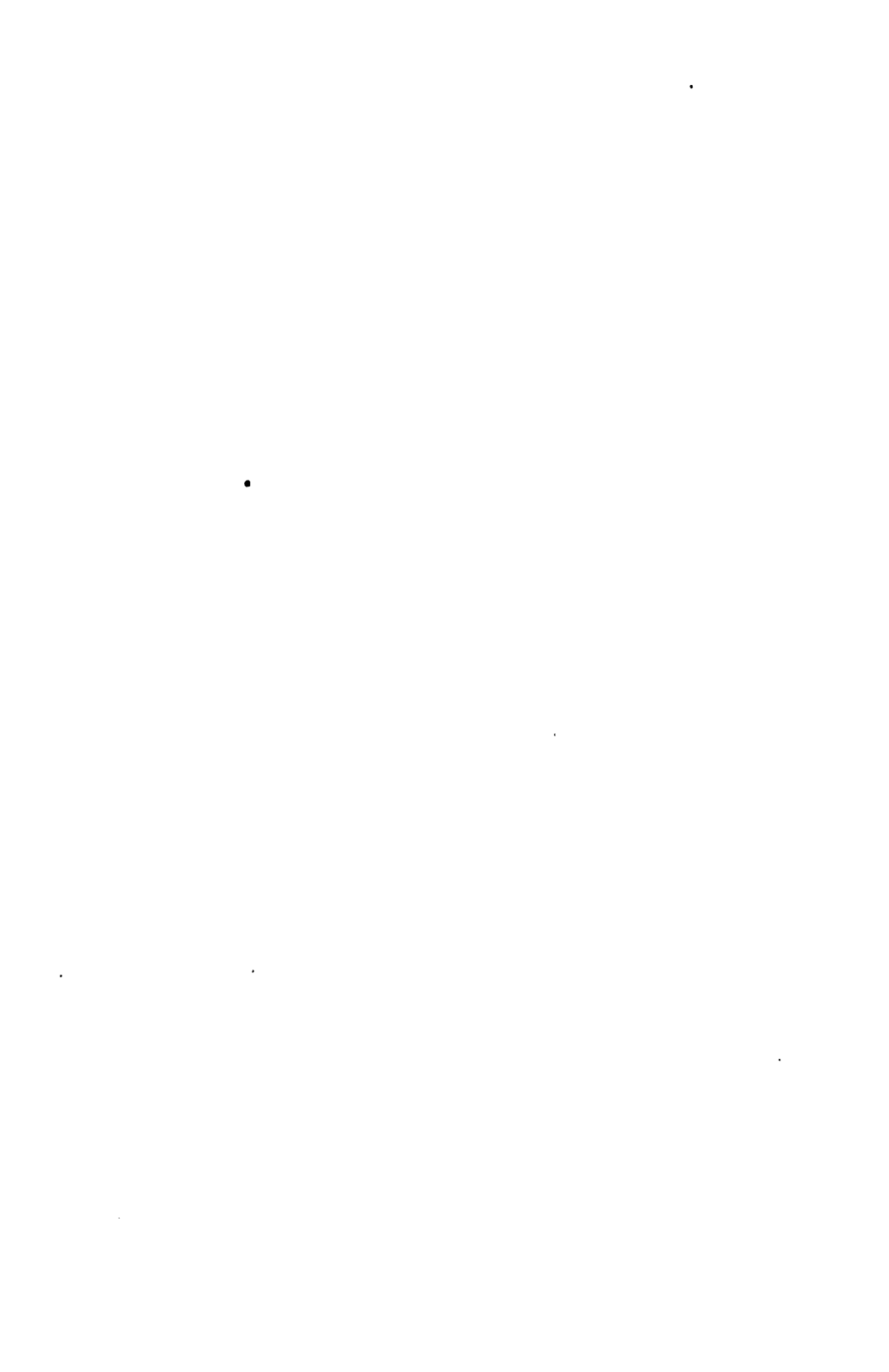
The doors of these singularly uninviting houses are always open, and thus the passer-by can obtain an uninterrupted view of their interior, and can assist, if desired, at the daily routine of a low Chilian household. When I add that there is no drainage in the towns, that each individual resident reserves to himself and herself the right to cast all the superfluous filth into the public roadway, and that the most private and personal domestic duties are carried on in full view of the neighbourhood, I have perhaps said sufficient to prove that home life among the low-class Chilians does not offer much opportunity for either emulation or admiration.

It is both refreshing and agreeable to turn from this unpleasant phase of Chilian life to the mode of living prevailing among the superior and educated classes of the country. The refined Chilian, man and woman, is a very Chesterfield in charm of manner, propriety, and courtesy; and no one can desire to meet a more delightful companion than the cultured Chilian, who is usually descended from the best of the proud old Spanish families, or is the issue of mixed marriages between



VALPARAISO

One of the three prominent monuments erected to immortalise the glories of Chilean Military Marine. The statue is that of Captain Arturo Prat, after whom a street is named, and stands in the Plaza Intendencia



those of Spanish and other European lineage. Chile boasts of many such aristocratic families, and their intellectual attractions are on a par with their hospitality. Neither is their charm of manner purely artificial. They are genuinely pleased to welcome a stranger in their midst, and especially are they agreeable to Britishers, with whom they usually find themselves speedily *au mieux*. I have met with more real courtesy and kindness in Chile than in any other South American country; and so long as the ruling classes of the Republic preserve their distinctive attractiveness and their appreciation of the value of education, the future of this country is assured, more especially as underlying these agreeable attributes are a profound common-sense and shrewdness which will always prevent the country from indulging in anything approaching a *débâcle*.

The town of Talca, which is the capital of the Province of that name, is very much the same as the other interior towns I have described. Its thoroughfares are dusty; the greater part of its houses are built of wood: they are mostly extremely ugly and uncomfortable in appearance; and its thoroughfares are filled with noises to distraction, which appear to proceed from almost every direction and at all hours of the day and night.

Not the least aggravating are the unceasing police whistles, a custom of signalling peculiar to South American cities generally, but more noticeable in Chilian towns than any others. I endeavoured to discover upon what principle the police were instructed to whistle thus to each other, since the noise they make is continued right through the night, as well as during the daytime. There seems to be no individual system, idea, or regulation as to the intervals between which the whistles are given, some policemen whistling every ten minutes, others at intervals of every quarter of an hour or twenty minutes, and all apparently entirely at their own will. The idea, no doubt, is to allow them to remain in constant communication with one another while stationed at different points; but the shrillness with which they use their instruments, reverberating as the sound does through the long, narrow, and otherwise noiseless streets in the dead hours of the morning, is terribly disturbing to newcomers, while many of the residents themselves have assured me that they never get accustomed to the affliction.

Talca is a very busy town, and has several important manufacturing. Indeed, it ranks as the fourth city in importance in Chile, having about 43,000 inhabitants. The district generally goes in for the cultivation of cereals, fruit-trees and vines, while cattle-raising is one of the principal industries. Milling is also developed, and there are several modern rolling-mills. The office hours at Talca and other Chilian towns are ex-

tremely long, being from 6 a.m. to 6 p.m. There is already one large match factory at Talca, belonging to Messrs. Oehninger, Smits and Company, one of the best organized and most deservedly successful undertakings of the kind. Three other match factories, however, are being, or have been, built; while I also inspected a paper factory and a bedstead factory, the latter carried on by the enterprising sons of Mr. Smits, of the above-mentioned firm. The factory commenced with the employment of two workmen, but now employs 250 men, the whole of the tubing used coming from England.

Messrs. Weston and Ness, from the 'land of cakes,' have a large biscuit and pastry factory at Talca, where they make every kind of biscuit known in this country, and a great many others which are not. Mr. D. M. Ness is one of the true sons of Scotland, and takes the keenest interest in what is going on in the Old Country.

In connection with the cattle industry, I was informed by Mr. Carlos Holzmann, who has the largest auctioneer's connection in the district, that he sells 3,000 to 4,000 bullocks every Friday, while on every Monday a considerably larger number are disposed of.

There are three clubs at Talca, comfortably furnished, containing billiard-tables made by Burroughes and Watts and others.

The climate of Talca is very fine, seven or eight months of uninterrupted sunshine being enjoyed; but it is rather cold in the winter. Nevertheless, the houses have neither fireplaces nor chimney-pots, but are heated by means of paraffin-lamps.

The interests of the British community in Talca—small though they are—are in the hands of Mr. Stringfellow, senior partner of the firm of Stringfellow y Urzua, Casilla 105. Mr. Stringfellow is ever ready to assist any of his countrymen in the way of information; and being upon excellent terms with everyone worth knowing in Talca, and with many who are out of it, he is essentially a gentleman whose acquaintance is worth cultivating.

Temuco, in the Province of Cautin, until recently the terminus of the Government railway to the South, but which has since been continued to Valdivia and beyond, is a wretched town, which, in spite of its possessing 9,000 inhabitants, has not one really good or attractive building to its name. The streets are always from 5 to 12 inches deep in a brown and gritty dust, which penetrates everywhere, lodges on the roofs and the window-sills of the houses, lies in heaps at every street-corner, and, in fact, converts the whole place into a sand-heap. The houses, all built of one story, are of wood, and clumsily constructed at best. Even the churches are of the same material, which is nailed together in unplanned and uneven planks, with

the ends unfinished, and absolutely devoid of any ornamentation whatever. Some are even innocent of paint. The drainage is by means of open sewers, and the water-supply is poor and inadequate. The town boasts the electric light and the telephone, but otherwise it is inferior in appearance and comforts to the newest backwoods settlement in North America.

There are about three so-called hotels, the least bad of which is the Central. At the best, however, it is only a wooden shanty, and the gaudy wall-papers, cheap furniture, and glittering bar only serve to accentuate the solid discomfort and tawdriness of the interior. Slatternly females do the housework, and, like all the women of the working class one meets in this part of the country, they are seldom known to put a comb to their hair or apply a towel to their faces. In fact, the Chilian working classes are infinitely more dirty, both in their habits and their appearance, than any people I have ever seen or lived among in any part of the world, the Zulus and Hottentots not excepted. It is no exaggeration to say that a Bushman's hut in South Africa is cleaner than a Chilian workman's house, and his habits are certainly less repellent.

Temuco is the centre of an agricultural district with a population of 100,000, and is really a prosperous town, although no one would imagine so from its appearance or the aspect of its inhabitants. The local farmers receive a fair price for their produce, which is bought from them by large houses, such as William McKay and Company, Weir, Scott and Company, and Williamson, Balfour and Company, all of them first-class firms, acting as agents both to buyers and sellers.

There are flour and saw mills, tanneries, and one or two small manufactories at Temuco, but for the most part they are unimportant. There is, for instance, a bentwood factory called Fabrica de Sellas, and owned by a certain Herr von Bodan y Czach. The chairs which are turned out, consisting of the usual black polished frames with cane seats and of which some hundreds are made annually, are very poor in quality and badly finished. In fact, the cheapest rubbish from Tottenham Court Road would be considered first-class in comparison. Considering the inferior quality of material and workmanship, the price at which these chairs are sold to the public, namely, \$60 (about £4 2s. 6d. a dozen, or nearly 7s. 2d. each) is dear. I have seen better stuff at London second-hand furniture shops for two or three shillings apiece. The Government (Central) Railway connects Temuco with the rest of the country, but the service of trains is poor and the station building in need of repair. A branch line from Temuco to Carahue has lately been opened. This place has a population of about 2,000, and Lautaro, on the banks of the Cautin River, another 3,500.

CHAPTER IV

Poverty of the people—Farmers and merchants' relations—Concepcion—The mode of life—Buildings and clubs—Coronel—The Pachucho mine equipment—Coal-mines of Lota—History of the Schwage and Cousiño families—Decline in coal output—Miners' lives at Coronel—Murderers rampant—Strikes and strike-leaders—Crime and vice among the coal-miners—Coronel Bay—Wrecks and accidents—How a French vessel escaped disaster—Lota Park—A tenantless mansion

I HAVE already observed that not even in one of the minor mining towns in the poorest country are to be found people so wretchedly poor or more neglectful of their personal appearance as exist in the south of Chile. One observes with astonishment and some dismay the gradual increase of the filth of the people as one proceeds further and further from the centre of civilization. The awakening commences at Chillan, and increases as one proceeds from that place southwards, until at such towns as Temuco, Petruquien, and Valdivia the revelation of the real habits of the people becomes nothing less than appalling. It is doubtful whether the low-class Chilians ever heard of John Wesley, and still less of his sermon on dress. 'Cleanliness is, indeed, next to godliness.' Temuco itself revels in dirt and squalor, in spite of the fact that there is no real poverty in the place, or, let me say, there need be none if the inhabitants chose to work, for there is abundance of employment for everyone. Nearly all the small farmers round about, however, are in debt to the purchasers of their produce; that is to say, they have received substantial or small advances upon the coming harvest, and perhaps that of the following year as well, but in many cases with only a faint prospect of being enabled to wipe off the indebtedness. Thus, as was the case in the West Indies during the many long years of depression in the sugar industry, now happily relieved by the abolition of the bounty system, the natives are always in debt to the financiers—sometimes the banks, but more often trading firms with branches all over the country. As a rule, the borrowers are honest enough, and pay off small instalments by degrees as and when they can; but one poor harvest will throw them back for two or three years, and

the interest on their borrowings is mounting up against them all the time.

When, however, they resolve not to pay, it is a matter of some difficulty and no little out-of-pocket expense to make them. As a rule, their utmost possessions consist of a tumble-down hovel made of rough boards and furniture to correspond, together with a small plot of land which may or may not have been sown with grain. Some of the banks and trading firms have lost several small sums which they have advanced against future harvests, and in the aggregate these mount up to substantial sums. Thus, one firm's manager informed me that while he had not earned a single dollar's profit on the amount of the advances made for two years, he had actually lost \$2,200 in sums not repaid. Nevertheless, business continues, for these large financial firms as a rule are under contract on their part to supply a certain amount of wheat to the mills in the north of the country, and it is only from the native farmers that this can be obtained. Hence, they must buy the wheat somewhere and somehow, and, principals though they may be, they are really in the hands of the farmers so far as the supply of their commodity is concerned. Considering everything, the business works very well, there being a generally good understanding between the contracting parties, and little friction takes place. Although a hot-tempered and revengeful people, the Chileans are not particularly litigious.

From a social point of view Concepcion, next to Santiago, is the most agreeable town in Chile in which to live. Both places have much in common in appearance, in character and in popularity, more especially in regard to their infinite superiority over Valparaiso.

Concepcion, on the banks of the River Bio-Bio, is a handsome town of some 55,000 inhabitants, mostly well to do, and much interested in agriculture and cattle-breeding. There are several fine public buildings, and a large number of private and commercial establishments, some of the shops, for instance, in the Calle Comercio, vying with any to be found in Santiago. The town is built on an absolutely flat surface, also like the State Capital, and, consequently, locomotion by means of coaches and trams is a matter of great facility and very cheap.

In fact, throughout Chile all means of transit—train, tram, and coach—are remarkably reasonable.

There is not quite so much vegetation about Concepcion as can be found at Santiago, possibly owing to the somewhat cooler climate. There is, indeed, a marked difference in the temperature of these two places, Concepcion being probably from 10° to 15° colder than the Capital, situated as the latter nevertheless is in a complete ring of mountains, always more

or less snow-capped. Concepcion, on the other hand, is very near the sea, and on the banks of a river.

If in nothing else, Concepcion is fortunate in the possession of two or three moderately good hotels, the best of which is no doubt the Hôtel de Comercio, occupying on the Plaza a position almost identical with that of the Hôtel de France on the Plaza de Armas at Santiago. In fact, the same architect might well have laid out both cities and their principal buildings, so closely do they resemble one another in numerous particulars.

A further point of resemblance consists in the number of English who reside at both places. Concepcion has two English Clubs, or, rather, one entirely English, and the other to which Englishmen are admitted in common with other nationalities. Santiago has but one, and that is a Cosmopolitan Club, of which several—in fact, all the leading—Englishmen are members. These Clubs are very handsome and commodious buildings, and contain as many as six to eight billiard tables each—usually a full-sized English table of some well-known make, like Burroughes and Watts, Limited (who supplied the Santiago, Valparaiso, and Concepcion Clubs), and four or five or more French tables. Billiards are very popular throughout South America, and I have seen some excellent play among the Chilians themselves. Strangely enough, these people take most kindly to British games—football, croquet, and lawn-tennis being very popular among all classes and both sexes.

The Municipality of Concepcion generously provide a military band to amuse the inhabitants, taking their airing on the Plaza, three times a week. But it must be chronicled that the performances are, as a rule, very mediocre, and would scarcely be tolerated in any provincial German town, where music is certainly both understood and appreciated. The Chilians are not a musical nation, and the lack of competency to discriminate between music and noise is clearly reflected in the exceedingly bad performances given at Concepcion, and sometimes at Santiago also. Shakespeare has declared that 'The man that hath no music in himself is fit for treasons, stratagems, and spoils.' But I say no more!

The famous Pachucho coal-mines at Coronel, close to Concepcion, are of very considerable importance, and although, at the present time, they are suffering from depression owing to the demand for coal having slackened, they are certain at no distant date to come once more into prominence, since the coal is good, although immature, and the supply apparently abundant, if not unlimited.

Before the largest of these mines became the entire property



PICTORIAL CHILE

The Bay of Valparaiso
This is only an open roadstead, and is subject to violent storms, during which serious damage is frequently
done to shipping at anchor

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of the late Mr. Schwage, himself of British birth, but bearing a German name, they were partly owned by a Chilian, who allowed them to be worked in an indifferent and ignorant manner, with the result that the sea one day broke through into the tunnel and inundated a great part of them. Fortunately, the accident occurred upon one of the innumerable 'feast' days, when the mine was not in operation, so that no loss of life took place. The damage, however, proved very serious, and as far as these particular workings were concerned, irredeemable; but skilful engineering has enabled other seams to be opened, working between the sea and the old inundations, and these are still being carried on successfully. The hauling and the coal-mining machinery was supplied by Messrs. Walker Brothers, Limited, Wigan.

The installation of machinery at the Pucuco Mine is entirely of British make, the firm of Walker Brothers (Wigan), Limited, being responsible for the whole of it. The ventilating installation, one of the finest I have ever seen fitted in any mine, comprises a fan of the Walker 'Indestructible' type, 20 feet in diameter, driven on the second motion, through the medium of powerful cotton ropes, by a pair of compound engines, having high-pressure steam cylinder (1), 13 inches in diameter; low-pressure steam cylinder (1), 25 inches in diameter by 3 feet stroke, the valve gear being of the 'Slide' type, with Meyer expansion valves, variable by hand whilst the engines are in motion.

To control the speed of the engines a Hartnell speed governor is fitted. The rope-pulley fly-wheel on the crank shaft of the engines is 16 feet in diameter, grooved on the periphery for the reception of six cotton ropes, each $1\frac{3}{8}$ lines in diameter. To deal with the exhaust steam from this installation there is a surface-condensing plant, with independent air and circulating pumps.

A more extensive and comprehensive installation has more recently been provided at this mine by the same makers, comprising two pairs of endless rope-hauling engines and two pairs of air-compressing engines, etc. The hauling engines are of the compound type, with high-pressure steam cylinder (1), 16 inches in diameter; low-pressure steam cylinder (1), 32 inches in diameter, by 3 feet stroke, the valve gear being of the 'Proell' type, with suitable speed governor. A rope pulley, 10 feet in diameter, is keyed to the third motion shaft of each pair of engines, these pulleys being the makers' speciality—an improved 'Fleeting' type, with renewable steel liners on the periphery. The third motion shaft of each installation is driven by two sets of spur gearing. Each third motion shaft is extended so as to provide sufficient space for the reception at

some future date of another haulage pulley similar to that already supplied.

The two pairs of air-compressing engines are of the compound steam two-stage air-compressing type, with high-pressure cylinder (1), 20 inches in diameter; low-pressure steam cylinder (1), 39 inches in diameter; low-pressure air cylinder (1), 36 inches in diameter; high-pressure air cylinder (1), 22 inches in diameter by 4 feet stroke, the valve gear on the steam cylinders being of the Corliss type, with suitable speed governor, and the air cylinders of patented designs.

With each pair of engines have been supplied an intermediate air-cooler for cooling the air on its passage from the low-pressure to the high-pressure air cylinder, and with the complete installation there are provided four steel air receivers, each 20 feet long.

In connection with the haulage and air-compressing engines there is a large surface-condensing plant for dealing with the exhaust steam from the four pairs of engines, this plant being fitted with independent steam-driven air and circulating pumps. There is also a vertical fly-wheel type of pump for raising salt water from the sea-level to the mine, a powerful overhead travelling crane for assistance in the erection of the machinery, and a boiler feed-pump. The machinery works admirably, and has done so since the first day of its erection.

At present, as I have said, the demand for the coal has lessened, so that but two out of the three mines are giving any output. The third has by no means been abandoned, although no work has taken place there since October, 1904. At one time over 1,000 men were employed at the Schwage mines, but to-day probably some 400 to 500 represent the number of men engaged. For the most part these miners are strong, healthy-looking fellows, and the arduous lives they endure, from ten to twelve hours a day underground, seem to affect neither their health nor their appetites. They live in a land of plenty, and their employers apparently treat them uncommonly well, providing them with free houses, free medical attendance, and make them a free gift of a ton of coal apiece once a month, summer and winter alike. Moreover, this coal is delivered free at their doors by the colliery owners.

Perhaps it might be supposed, with such treatment in addition to a very liberal rate of wages, that the men would be perfectly satisfied and easily managed. But not a bit of it.

Grumbling and discontent are rife, and strikes are by no means infrequent among them, all of which goes to prove that it is impossible to guard against discontent, no matter what precautions may be taken. Probably the miners would be contented enough with their lot were it not for that intolerable

pest the strike-leader, whose pernicious and baneful influence is felt here in this too 'free' Republic, as in other parts of the world, and is always more noticeably potent in those countries where the word 'freedom' is so much used and is supposed to be best understood and appreciated.

It is not difficult to understand how or why these stormy petrels find so much favour, for the Chilian miner is by nature both fierce and quarrelsome, moved quickly to anger, and extremely vindictive in revenge. An official of the Schwage Company, who has been associated with the concern for many years, told me that during the past ten or eleven years no fewer than fifty of the miners, whom he had known personally, both by name and to converse with, had been murdered by their comrades, while at least a hundred others had met the same fate within a radius of ten miles of the mine. Out of all these cold-blooded assassinations not one of the perpetrators had been punished. In one or two instances the criminal had been thrown into prison for a week or two, until the excitement locally had calmed down, when he was once more let loose upon the world, no doubt to repeat the same act upon the earliest opportunity.

In another instance a man who is still living in Coronel, 'honoured and respected'—that is to, say as 'honoured and respected' as any Chilian of his class ever can be—entered a house with four companions and butchered an entire family of poor people, consisting of a woman and three little children. In this case, also, not even the poor farce of an arrest was gone through, absolutely no notice being taken of the crime by the police. It is shocking to have to chronicle such barbarism in connection with a country which desires to be considered 'Christian' and 'progressive,' but the facts are incontrovertible, and of but comparatively recent occurrence.

Drunkness and excess in eating are very pronounced among the Chilian miners, and as my informant somewhat naïvely put it, 'pay-day is invariably the occasion for a sudden rush for coffins.' As soon as the men get their pay, which is once a month, and always on a Saturday, a large proportion go to Coronel, there become uproariously drunk, indulge in faction fights or single combat, and invariably one or more are left for dead. In other cases they indulge in eating unripe fruits, and die in a few hours from apoplexy or some other complaint occasioned by this excess.

No amount of experience seems to teach these people wisdom. They are truly little better than brute-beasts both in manners and appearance. They are filthily dirty in their habits of living, probably never wash their bodies from one year's end to another, and herd together in their wooden huts like so many swine. The Company has provided decent shelter for them,

which would be considered both adequate and comfortable by the average European workman; but all efforts to promote healthful living among the employees are quite fruitless. Three or four families will crowd into a house originally intended for one, and no amount of argument or persuasion will induce them to move out.

That these people can be fierce and resentful even towards their employers is proved by the fact that both the father of the present manager, Mr. Watt, as well as the father of a neighbouring mine manager, Mr. Guillermo Codon, were murdered by the Schwage miners several years ago, while they were occupying similar positions to those now held by their sons.

Coronel Bay is a somewhat dangerous place for vessels at certain times of the year, while the immediate neighbourhood, and particularly Pucuco Point, whereat the Schwage mines are located, has been the scene of several disastrous wrecks, owing to the many partly-submerged reefs and rocks which lie there.

About four or five years ago the Pacific Steam Navigation Company, Limited, lost an almost new ship—it had only been running a year—called the *Talca*, and which went ashore at Pucuco Point. The accident took place on a perfectly calm and clear night in winter, the Captain having mistaken the Pucuco beacon light for that of the Coronel lighthouse, a few miles further down the bay.

The boat, a fine cargo steamer of 1,000 tons burden, was run on the rocks and stuck fast. She was laden with coal, and carried a crew of thirty-five men all told. Perhaps she might have been got off the rocks had prompt measures been adopted, but unfortunately the Superintendent of the Company at Valparaiso sent instructions 'to do nothing until he came.' These orders were carried out literally, and nothing *was* done. When the Superintendent at length arrived he was accompanied by a violent hurricane, which dashed the already helpless vessel broadsides on to the rocks much higher up, and with the rising gale she broke in two, one half sinking some few feet below the surface, and the other portion, a grinning skeleton of steel ribs and distorted frame, remaining firmly fixed on the rocks to-day, a truly depressing sight to behold. Some brave rescues of the crew were effected, every man being safely landed by life-lines, and no lives being lost.

A French ship shortly afterwards nearly met with a similar fate, but was fortunately saved by the piloting of an English official belonging to the Schwage mines. The Frenchman lost his bearings, and mistook the buildings at Pucuco Point for the houses at Coronel. For upwards of an hour the vessel sounded her whistles and syrens, without, however, attracting attention. She was finally rescued as mentioned.



INDUSTRIAL CHILE

**Flour Mill belonging to Williamson, Balfour & Co. at
Concepcion de Chile**



INDUSTRIAL ARGENTINA

**Bags of wheat awaiting handling at a side-station on the Argentine
Railway (B. A. Great Southern) during heavy harvest,
February 1905**

The tragic part of the story, however, remains to be told. Upon the English pilot boarding the vessel, he found the Captain in a great state of excitement, which was generally shared by the rest of the ship's company, all except the Chief Officer, who seemed to be exceedingly amused at the proceedings. In subsequent conversation with the English *deus ex machina* (who, by-the-by, was my informant), the 'gallant' French Chief Officer confessed that he was perfectly well acquainted with the dangerous reefs of the bay, from which the ship had so narrowly escaped, he having several times visited these waters on other vessels; but he had declined to utter a word of warning to the Captain 'for fear of being snubbed, as had so often occurred before.'

When asked whether he would actually see his ship and all her crew go down sooner than stand the risk of a snub from his superior officer, he promptly replied, 'Much rather.'

I should be sorry to think that this represents the general spirit of the French marine, and I am more inclined to believe that such an instance of treachery to one's superior officer and employers is altogether exceptional, if not unique.

Several boats are lost every year at the dangerous Point of Pucuco.

A very few miles from Coronel, with its 5,000 inhabitants, situated amid some very beautiful scenic surroundings, are the coal-mines of Lota. Just as the Coronel mines are practically owned by one family—namely, three widow ladies, sisters of the former proprietor (Mr. Schwage)—so the Lota mines are the property of the Cousiño family, and have yielded them enormous wealth. At one time these mines produced an annual profit of £120,000; while to-day, at the reduced output and the lower prices realized for the coal, they return an income to the fortunate proprietors of something like £70,000.

Unfortunately, there seems to be rather poor finance practised at the Lota mines, little or nothing being placed to reserve or emergency funds, and the amount allotted to the upkeep of the mines very insufficient. In the event of a serious 'fault' being found, an inundation, a fall of ground, or any other sort of accident, such as any coal-mine is subject to, it is difficult to see how the management would come out, with little or nothing in hand to tide over such a calamity. The concern being a private one, and managed without reference to public opinion—as, indeed, it has every moral and legal right to be—it is not possible to give any other particulars than those above mentioned, which are merely report, but received from an authoritative source likely to be well informed on the subject.

Apart from the Lota mines, which are considered to be

as important as those of Coronel, Lota itself is famous for its very fine Park, belonging, as does most of the surrounding property, to the Cousiño family. The fame of the Cousiño Park is common throughout Chile; but, like many things which are largely boomed locally, it rather loses importance when seen.

At one time no doubt the place was considered to be a veritable fairyland—that is to say, for this part of Chile, where vegetation is poor and scrubby. But the pristine beauty of Lota Park must have worn off, and the same amount of attention and care given to the grounds could not have been given of late. The situation is unrivalled, being on a hill overlooking the sea, and the gardens, plantations, and buildings are very remarkable. The place is, however, too near to the smoke of the collieries, much of which is occasionally wafted over the trees at the blowing of a certain wind.

The Park contains a stately but uncomfortable-looking mansion, called by the inhabitants 'The Palace.' An enormous amount of money must have been expended upon the construction of this edifice, which, although completed so far as the outward appearance is concerned, has never been occupied nor even furnished. Most of the necessary fittings and appointments were purchased and actually brought to the house, but the cases containing them were never even unpacked. The house has never had a tenant—nor, indeed, does it seem likely that it ever will. The Cousiño family, now dispersed, prefer the more solid charms of Santiago, Paris and London, and Lota Park is left to waste its fragrance upon the desert air. It is large enough to accommodate a dozen ordinary families; but even when furnished it would probably not prove very inviting as a residence, being too vast and frigid in its magnificence.

For the rest, the Park is worthy of the Palace, and the Palace is well designed to adorn the beautiful Park.

It almost seems as if the grandeur of the whole erection scared the owners, who were fearful of indulging in so much regal state. The place is just such as might have been conceived and carried out, but never lived in, by a Colonel North, of Avery Hill, or a Whitaker Wright, of Lea Park, Witley, fame. An old adage says that 'fools build houses and wise men live in them'; but no man has been found wise, or unwise, enough to take up his residence at Lota Park.

CHAPTER V

Chillan—Some commercial houses—Chillan hotels—A danger to be avoided—Chillan hot springs—Valdivia—A wooden town of wooden people, mostly German—Port of Corral—Some Valdivia factories—A pleasant club-house—A town without amusements—Valparaiso—The port—Streets and houses—Public buildings—Hotels—Trams and general features—Scenic surroundings—Public promenades—Hotels—Street orderliness

BETWEEN the towns of Talca and Concepcion lies another important but equally unattractive town named Chillan, with about 24,000 inhabitants. It ranks sixth among Chilean towns, and at present is much occupied with the boom in cattle and grains, which, as I have previously observed, have latterly made great progress both in quality and quantity throughout the Southern provinces of Chile. The town also contains several factories, breweries, tanneries, mills, and cooperages.

I am not quite certain whether Chillan claims to belong to the province of Linares or to that of Nuble, but it is certainly closer to the boundaries of the latter than the former. In any case, Chillan (pronounced Chill-yann) is bound to advance to even greater importance soon, and, in fact, directly the two great railway extension schemes which the Government has in view are completed, which will then afford this splendid agricultural and stock-raising district direct access to Argentina.

In the meantime, it is hoped that the inhabitants of Chillan, instead of quarrelling among themselves over trifles, as they are very prone to do, will set to and prepare their singularly unattractive town for the increase of trade and population which are almost certain to come to it. A commencement might be made with the roads, which are for the most part extremely badly paved, while others are inches deep in a gritty, sandy dust, which rises in clouds from under the horses' feet whenever they pass over it.

There are very few trees and scarcely any flowers even in mid-summer, which was the time at which I visited the town, while of handsome buildings there is scarcely one. The most notable, however, are the Government buildings, containing the Post-

Office and some other public offices, the Bank of Chile, and one or two general stores, notably that of Messrs. Weir, Scott and Company, who are a sort of 'Whiteley's' in a more humble way, selling almost every kind of article from a pin to a punching machine, and having branches in all parts of the country.

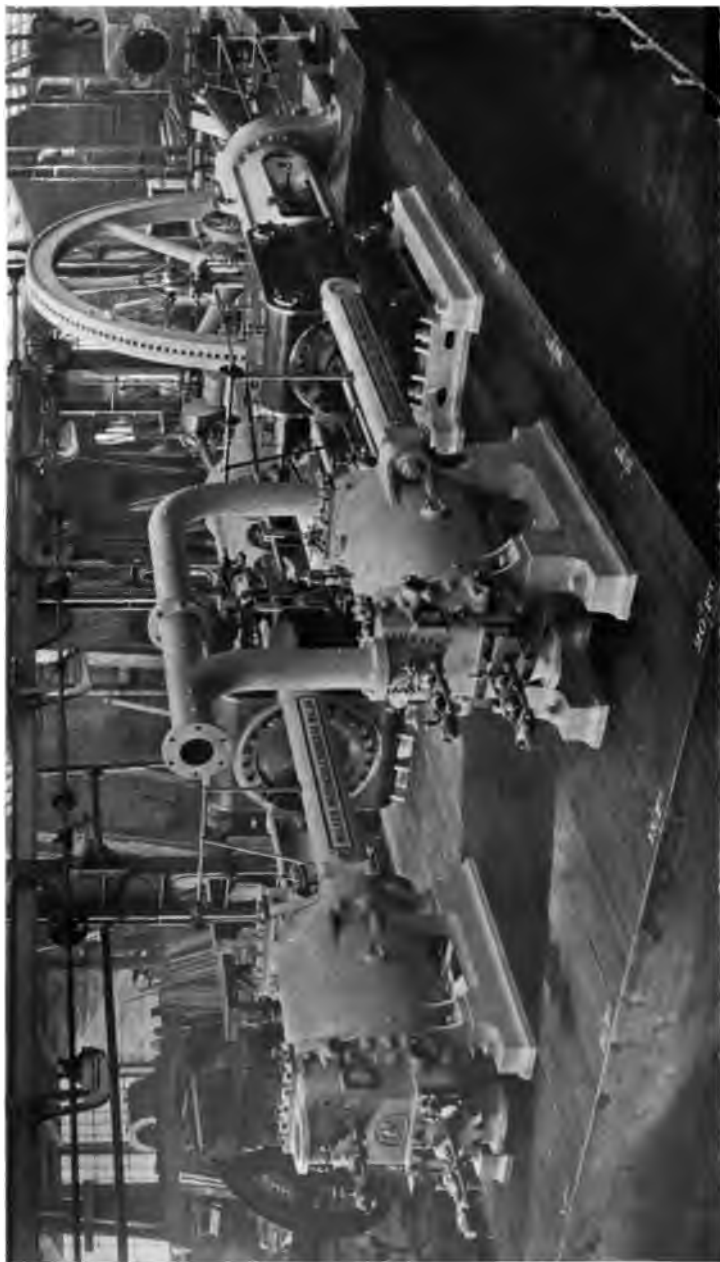
Those who travel in Chile, either for pleasure or business, should exercise even more than the ordinary precautions enjoined upon voyagers. If care is not taken at hotels, very grave and sometimes fatal consequences ensue. At Chillan, for instance, where a great number of invalids suffering from skin diseases pass at least one night previous to going up into the mountains where are situated the famous 'Chillan Thermal Waters,' one is apt to be given a bed, as well as the identical linen, in which the eczematous patient has just slept.

I need not enlarge upon the infectiousness of all skin diseases, and more especially in a Southern climate like that of Chile. I have heard of several bad cases of infection from this scandalous piece of negligence; but the affair is likely to occur at any of the Chillan hotels, unless great care is exercised to see that perfectly fresh and clean bed-linen is used.

Cases of rheumatism and ague arising from damp sheets and pillow-cases are frequent at almost all hotels in Chile, for it must be admitted that in addition to their natural lack of cleanliness, the people are very indifferent to the ills that arise from insufficient airing of bed-linen and similar domestic necessities. Those establishments managed by French, German, or English proprietors are safe enough. The appalling death-rate in all the towns, and especially in the cities of Valparaiso and Santiago, which claims hundreds of victims annually from small-pox, typhoid and typhus, sufficiently proves how much the people have to learn in the direction of sanitation. It will be a long time, I am afraid, before this necessary lesson is thoroughly inculcated and is properly acted upon. The Government is doing its utmost in this matter—it could scarcely do much more with the extremely limited support which it receives from Congress, and the pig-headed opposition with which all sanitary reform meets from the people themselves.

The town of Valdivia, capital of the Province of Valdivia, and with a population of 8,000, is situated very attractively on a river of the same name, the town itself occupying a sheltered position in a small bay or inlet running in from the sea. The port is named Corral, and lies about 12 miles from Valdivia, so that passengers arriving by steamer must tranship into smaller boats to arrive at the town.

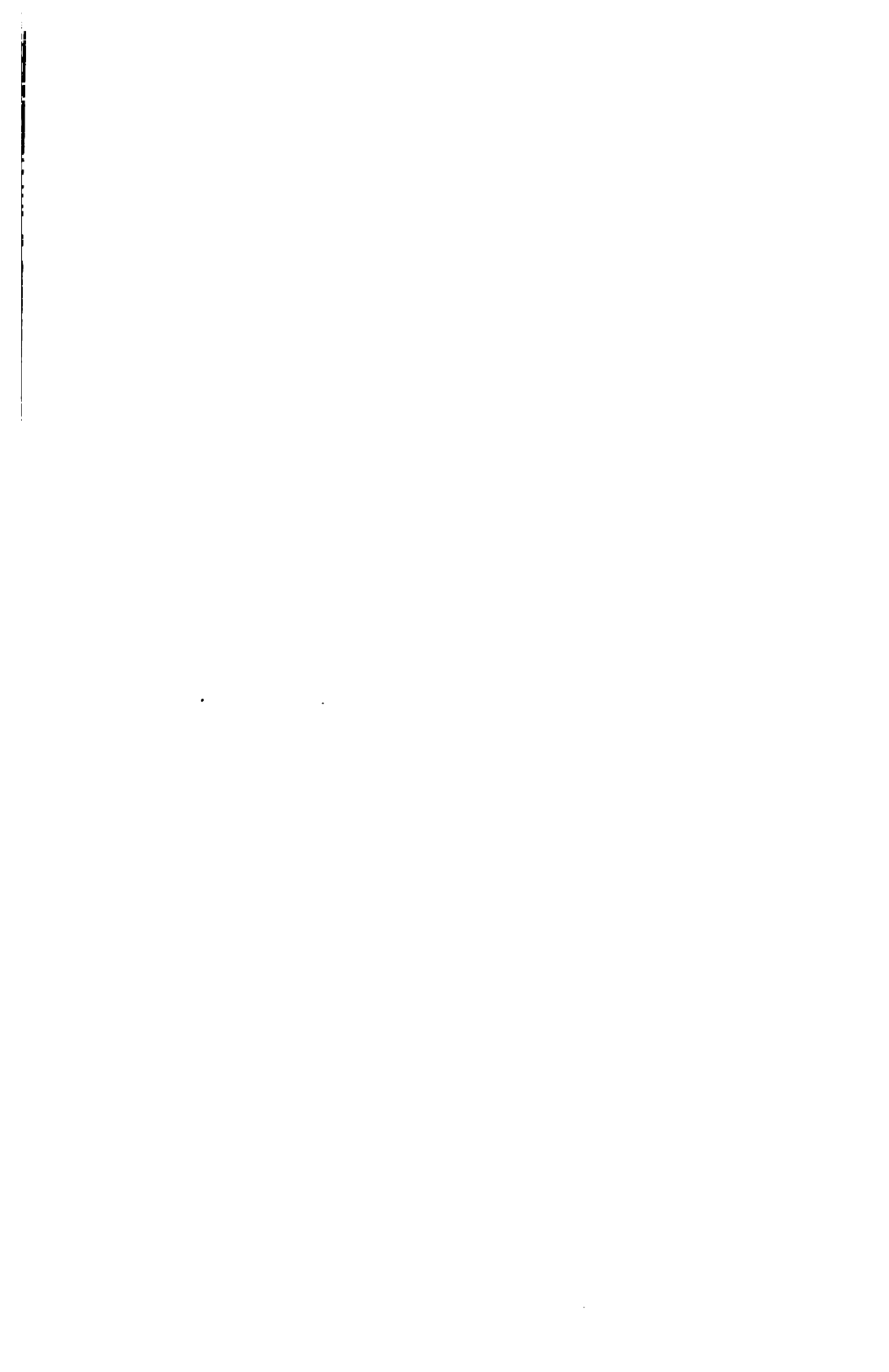
Valdivia, which was named after Pedro Valdivia, the colleague of Francisco Pizarro, and who also founded Santiago, might be



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INDUSTRIAL CHILE

Installation of Machinery at the Pucuco Coal Mine, Coronel, erected by Messrs. Walker Bros. (Wigan) Ltd.



made quite a charming town, since its natural situation, as I have said, is most delightful. All around are tree-clad hills and pretty undulating country, very much like that of North Devon or the Lake District. But the town itself is constructed of wood almost entirely, there probably being less than half a dozen brick-built edifices to be found. Even wooden houses, however, can be rendered architecturally attractive; but no attempt in this direction has been made by the prosaic inhabitants of Valdivia.

Not only the houses but the pavements are made of wood, planks laid down 'corduroy' fashion, but more or less regularly—and rather less than more! The roads also are nearly all of the type known as 'corduroy'—that is to say, planks laid close to one another transversely. The method of paving is economical, because timber in the district is of small value; in wet weather the uneven planks become very slippery, and the filth that accumulates is not easily removed, and is, therefore, left to rot and become putrid.

Gradually the town's thoroughfares are to be macadamized, and already one or two of the streets have become so transformed; but inasmuch as the undertaking mainly depends upon the finances of a by no means wealthy municipality, and the principal individuals concerned—namely, the niggardly Germans, who settled here about fifty-five years ago—refuse to contribute a single penny more than any of the other inhabitants, the progress of repavement is destined to be very slow.

A particularly heavy rainfall renders Valdivia anything but agreeable in the winter months. Actual statistics prove that rain commenced to fall on February 20, 1904, and continued almost uninterruptedly till the middle of October of the same year. So what with rain, wind, and dust from the unplanked roads (of which there are many outside the town), the good people of Valdivia have rather an unpleasant time of it for the greater portion of the year; and even the much abused climate of London seems tolerable in comparison.

There are many large factories in Valdivia, mostly, I might say exclusively, in the hands of Germans. A brewery, established here in 1820, turns out some 50,000 bottles a day, as well as some hundreds of casks. It is the largest and most important brewery in Chile, and seems to be as admirably managed as are most German enterprises of this kind. There are three tanneries, as the inhabitants have good reason to know when the wind blows in a certain direction, and which would render life unendurable for anyone not possessed of a Teutonic nose. Shoe factories, mills, salt-packing houses, a cabinet factory, timber-cutting yards, a large foundry, a naval construction yard, and several minor industries, are

also carried on here, so that the town may be considered one of the most thriving and enterprising in the Republic. When the railway from the north is completed, say in about two or three years' time (from a careful inspection of the incompleting line I am of opinion that the construction will not be finished before 1908), Valdivia may fitly take rank as the third most important port in the Republic.

There is a comfortable Club-House at Valdivia, known as the 'Club Central,' at which all strangers coming there (and as they are few and far between) are made heartily welcome. There is such a paucity of amusements or recreations of any kind at Valdivia that a club is not only desirable but indispensable.

I imagine that when the original Spanish settlers christened the narrow strip of beach at the foot of the hills 'Valparaiso,' they had not yet reached the beautiful country known as Santiago. The name of 'Paradise Valley' would have fitted that truly lovely plain, with its encirclement of green snow-tipped mountains, infinitely better. Valparaiso is in the main an ugly, irregular, and untidy-looking port, with about 143,000 inhabitants, of whom nearly 3,000 are probably English or of English descent. It has many public parks, squares, and gardens, but few are on a par with the meanest in Santiago. It also possesses a wharf some twenty-five years old, enormous ugly Customs houses, many long, dismal streets with lofty, narrow houses, and other peculiar features entirely foreign to the more graceful Santiago. The roads are in a very untidy condition, and in the narrowest portions are traversed by tram-cars running in all directions. Even the cars are unsightly, and remind one of the abominations running—or which used to run—in Leeds and Bradford, instead of the light, graceful, and comfortable conveyances in use at Santiago.

The huge and unsightly fortifications of Valparaiso also add to its general unattractiveness. The public buildings, of which there are a good many scattered about the city, include a Presidential Palace of extremely modest mien, a Museum of Natural History, the Victoria Theatre, the Volunteer Fire Brigade building, and a Naval Academy. There is a water-supply which does not afford satisfaction to anyone who uses it, and a general Cemetery which contains more beautiful buildings dedicated to the dead than any existing erection in the city devoted to the uses of the living. Valparaiso is said to be a very unhealthy place to live in, although the Government maintain a great institution, known as the Institute of Hygiene, which regulates the sanitary arrangements of the whole Republic. The death-rate in Valparaiso is alarmingly large. The port is merely an open roadstead, but the Govern-

ment is spending £2,000,000 upon making a suitable harbour there.

Valparaiso, like almost every other town and city in Chile, with the single exception of Santiago, is sadly deficient in hotel accommodation. Hotels there are, or such as call themselves by this name; but *nous autres* would scarcely designate them as worthy of the term, nor give them equal rank with our suburban pot-houses.

There is one respectable and moderately comfortable establishment at Valparaiso, kept by an extremely amiable and courteous Frenchman, whose house *faute de mieux* is generally full. Unfortunately, however, the cooking is not very good, and the situation of the house, facing a big shunting-yard of the State Railway and a number of tumble-down goods sheds, is also much against it. The Grand Hotel, as it is called, is, however, infinitely superior to anything else that can be found in this city.

It was my misfortune to abide for a time in the Hôtel Français et Anglais (Francia y Inglaterra), and a more supremely uncomfortable or neglected place I have seldom encountered. The rates were sufficiently high to insure a certain modicum of attention and comfort—namely, 15 dollars, or about 22s. 6d. a day. But an ordinary London lodging-house of the Euston Square type would be luxury in comparison with what the Français et Anglais had to offer.

The bedroom was seldom touched until late in the afternoon, and if the hand-basin was used after one's diurnal functions had been performed, it was left unemptied and the water-jug unreplenished until the following day. During the week I occupied a room in this hotel the floor was never once swept, the furniture never once dusted, nor the bed-linen once changed. Used matches, bread-crumbs, and other débris were left precisely where they happened to fall, while torn newspapers and crumpled envelopes were allowed to accumulate on the floor, and may be there still for all I know to the contrary.

The *cuisine* of this typical Chilean 'first-class' hotel was on a par with the lodging accommodation.

The waiters were a nondescript kind of individual, some aged and dirty, others young and dirty. They shuffled about the long, bare room facetiously termed the dining 'Saloon' in greasy, down-at-heel slippers; handed plates and dishes with fingers so repulsively dirty as to destroy the appetite of anyone but a Chilean; and attended to the visitors in the intervals of long and apparently heated discussions between themselves—subject of same unknown.

The cooking was simply abominable, every dish swimming in grease and tasteless of anything in particular except strong

herbs of the garlic species. The dessert—when there happened to be any—was never handed round, but doled out on to one's plate, two shrivelled-up apples here, a half-ripe peach there, or a minute bunch of grapes for a third; and if a visitor incautiously asked for more (he very seldom did, by the way), it was grudgingly bestowed.

The table appointments were worthy of the rest of the arrangements. Probably the table-cloth and serviettes had done yeoman service for many a previous year, and in point of ingrained dirt compared favourably with the hands of the waiters aforesaid.

The cruets had certainly been wholly unacquainted with a plate-brush or even a dish-cloth since they were first manufactured. The mustard-pot was thickly encrusted with the stale drippings of years, while the salt-cellar—innocent of spoon—was more full of dust and dead flies than the pure white crystal.

Knives and forks of the well-known 'kitchen' pattern, plates and dishes of innumerable patterns, scarcely one being free from crack or chip, and glasses of a colossal thickness, completed the furnishing of this typically Chilean restaurant.

I have only to add that several dogs and cats, the favourites of the proprietor, converted the floor into a common playground; and, if one's olfactory nerves were any guide, into something else besides.

Although Valparaiso itself is anything but a pleasant city in which to live, there is a pleasant and healthy suburb, known as Viña-del-Mar, close at hand, to which everyone flocks after business hours during the summer months. Unlike Mar-del-Plata, the fashionable and only watering-place of Buenos Aires, which is six hours' distance away, Viña-del-Mar is within a quarter of an hour's railway journey of Valparaiso. There are some fine houses belonging to residents, but the principal hotel is inconveniently crowded during the season and a deserted barrack in the winter, when it is closed to the public. Viña possesses an excellent tramway service, a picturesque drive to the Coneba, a particularly fine Club-House with as large and comfortable a reading-room as I have seen anywhere, and—unfortunately—a huge sugar refinery which belches forth volumes of poisonous smoke; this hangs like a pall over the town and completely obscures at times the beautiful marine view and the distant range of violet-coloured hills. The roads are well macadamized, and the beach forms a pleasant rendezvous.

CHAPTER VI

Santiago—A charming capital—Public buildings—Cemeteries—Burying the dead above-ground—The Plaza—Curious Chilian etiquette—Hospitality—The cultured Chilian at home—Ornate houses—An ideal climate—Dust on railroads—Orderliness of Santiago streets

IF I had to choose a place of residence in South America in which to live all the year round, that place would unquestionably be Santiago-de-Chile. It is, indeed, the one and only city of my acquaintance which offers attractions from a climatic, scenic, and social point of view, and I have resided in almost every capital of the world for a longer or shorter period. One must actually see the beauties of the fertile plain and the surrounding exquisite mountains—the base of the far-famed Cordilleras of the Andes—to realize how singularly and uniquely attractive the place is. There are some 320,000 people living in Santiago, and the greater part of them look both happy and prosperous. No city in the world can boast of more or prettier parks, gardens, and resorts, nearly all open to the public unreservedly and uninterruptedly. There are no tiresome restrictions forbidding people to do this or that, to keep off the grass, or not to touch the flowers. No one ever feels the slightest inclination to do anything that one ought not to do, and there are no pampered, impertinent 'keepers' with aggressive mien to preserve 'order' which is never transgressed. The Santiago folk are too good-mannered to need the drilling that is extended to the public promenaders of other cities—London especially. The President of the Republic for some six months of the year lives at the Moneda, although he has a handsome private residence of his own in a fashionable street. The Ministers have their offices in this building—a very fine and commodious one, bearing evidence of the elaborate Spanish architecture of the eighteenth century—and here, also, are the Treasury and the Mint. Some beautiful buildings are also dedicated to the Law and the Municipality, while Congress sits in a white-marble palace surrounded by beautiful gardens with fountains and flower-beds, kept in the most admirable order both summer and winter.

Fine blocks of buildings contain the Post-Office and Telegraphic Departments—well managed by and provided with many women clerks, who are both amiable and attentive; the National Library, containing over 100,000 volumes, many of great value and antiquity; the Chile University; the Central Railway Station; the School of Arts and Trades; the Astronomical Observatory; the Medical School; National Conservatory of Music; the Orphan Asylum; and the Catholic Seminary. There are two very beautiful Cemeteries, one for Roman Catholics exclusively, and the other for mixed religions, all of which are tolerated in the Republic of Chile. Some exceptionally beautiful monuments may be seen in the cemeteries, and the gardens around are usually a mass of glorious tropical flowers and variegated shrubs, with any number of tall flowering or umbrageous trees unknown to Northern climes.

The custom prevails in Chile of burying the dead above-ground, in niches and mausoleums. The bodies lie in serried ranks side by side, and one above another, much after the custom of the ancient Romans in the catacombs. As many as ten or twenty members of one family are buried in one of these vaults. They are perfectly open to the daylight, being merely shut off from view by lofty, open ironwork gates, heavily gilded, and bearing the arms or monograms of the respective families.

Unfortunately, a very bad odour arising from the decomposing bodies prevails continuously, and it is difficult to remain long in the beautiful-looking but deadly cemeteries without feeling overcome by the unpleasant smell. Some of the monuments which are erected over the separate graves or in the vaults are exquisite specimens of carving and sculpture, and must have cost many thousands of pounds in the aggregate. Upon these are found trumpery wreaths of artificial flowers, bead crucifixes, and little tawdrily painted images of saints, strangely anomalous to my mind of the Chilian's good taste and discrimination.

Santiago is much more fortunate in the number and character of its hotels than Valparaiso.

Here there are only a few; but they are, for the most part, exceedingly well managed and comfortable. The cooking at the best of them, however, cannot be recommended—at least, from the point of view of European palates. The natives themselves do not much patronize hotels, most of them having their own houses, or, when these are lacking, they have the establishments of their relatives and friends, which the Chilian customs of hospitality permit them to regard as their own.

Thus the great majority of the hotels of Santiago—as well as those of Chilian towns in general—are used by foreigners passing through the country.



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THE PRESS OF CHILE

Don Carlos Silva, Editor-in-chief of "El Mercurio" and "Las Ultimos Noticias"



The best-situated, if not the most expensive, hotel in Santiago is unquestionably the Gran Hôtel de Francia. It occupies a unique position, facing, and, indeed, forming the one entire side of, the square of the Plaza, the fashionable rendezvous of the *beau monde*, and affording one of the most charming outlooks for a hotel that can be imagined.

The Plaza is filled with bright and beautiful flowering trees, palms, etc., fountains playing merrily in the sunshine, and surrounded by extremely elegant white buildings, all more or less uniform, in the Doric style of architecture, and yet quite different in detail. In this open and attractive Plaza, or 'square,' a more or less capable military band plays four evenings a week, Sundays and feast-days included, from nine to eleven.

Then the Plaza is gay with fashionably-attired throngs, passing and repassing, reminding one of the scene to be witnessed at almost any Continental watering-place in midsummer, or at our own Earl's Court grounds on a fine evening during the height of a Summer Exhibition.

There is one remarkable feature about the Chilians' promenade, however. Whereas in most countries such groups of loungers would be found to be composed indiscriminately of men and women walking together, in Chile the strict rules of etiquette absolutely forbid the mingling of the sexes, except in the cases of fathers and daughters, sons and mothers, or brothers and sisters, etc.

To see a young man walking side by side with a lady, who could claim none of these relationships, for any period longer than a minute or two would occasion every tongue to wag, and something like a *furor* among the votaries of Mrs. Grundy.

Unless these bold persons were engaged, their respective relations would speedily take the opportunity of seeing that they became so. To walk side by side with a lady in Chile is equivalent to a Scotch marriage in theory; but the significance is in practice really more strenuously insisted upon.

The consequence of this rigorous interpretation is that one witnesses at these evening promenades the strange spectacle of strings and groups of young men walking arm-in-arm with one another, and similar groups of young women, attired in the latest and most *prononcée* fashions, engaged in a like apparently prosaic occupation. These groups pass and repass, always proceeding in an opposite direction, and playing the game of—what our American cousins call—'making gou-gou eyes.' The scene has many amusing characteristics for a stranger, more especially when he has received a previous hint to watch the progress of this unique aspect of Chilean social life.

Of Chilean hospitality in general, this may be said to be

unbounded; but in some cases—especially among themselves—it is curiously rough. By this I mean nothing offensive or blameworthy, for no one has received more real kindness and polite attention as ‘a stranger in a strange land’ than myself. But in many households the guests are allowed to come and go with as little ceremony and with little more particular warmth of welcome than one meets with in a hotel. The guest—who as frequently as not invites himself—orders precisely what he requires, without any previous reference to, or the consent of, his host or hostess; and he would be voted *outré* and a nuisance if he were to first seek permission.

He comes when he likes and goes when he likes, and is neither ‘speeded’ nor ‘welcomed,’ as is the pleasant and time-honoured custom in most European countries. In a word, he has perfect and absolute freedom, and to such a length is this custom carried that one is reminded of the amusing but rather startling announcement made by a warm-hearted Yankee host to his guests in a backwoods settlement: ‘Now, you boys, just do as you darned well please, or by G—— I’ll make you!’

In some of the Chilian households which I have been privileged to enter I have been struck by the remarkably kindly feeling which prevails among the different members of the household. As a general rule these are numerous, for when a son or a daughter marry they do not, as is almost invariably the rule with us, leave the paternal roof, but settle down in it as a permanency. Thus, a family becomes more and more numerous as time goes on, each son of the house bringing a wife and each daughter a husband to swell the circle. Some Chilian families I know boast of fifteen and twenty members, the greatest deference being shown to the head of the house, and the closest friendship prevailing between the various units of the household generally.

Naturally, where so many different temperaments are collected under one roof, contentions and disputes must inevitably occur; but they are seldom of a serious or a lasting nature, and in any case are rarely heard of outside the family itself.

The time-honoured objection to the mother-in-law, that butt of all *farçeurs* and novelists, finds no echo in Chile. The mother of the household is usually a good friend to every single member in it; and as Chilian housewives as a rule are thoroughly domesticated and devoted to their homes and their children—unlike the modern generation in England, who pass the majority of their time in ridiculous ‘ladies’ Clubs’ or playing bridge—a home in Chile is really a comfortable and a pleasant resort for all the members alike, and affords open hospitality for any of their friends who are invited to its interior.

While they are not extravagant, Chilians live well, and they

consider that if they offer the best of what they have to their guests they are doing as much as their rôle of host demands.

No Chilean lady, receiving an unexpected call from a neighbour, would hurriedly send round the corner for a currant cake or a bottle of ginger-wine, any more than she would scramble to the cupboard for the best teapot and sugar-basin. The food which is good enough for herself and her family—and this is invariably the best that they possess—is considered good enough for the guest, expected or unexpected. And, after all, this is the truest form of hospitality, to my thinking, and has the desirable effect of making the guest feel 'at home' in the truest sense of that term.

It is not at all easy to gain access to a Chilean family. The ladies of the household are seldom introduced to a casual acquaintance; but once admitted to the inner sanctum of the household the guest is made unreservedly welcome, and is thenceforward considered free of that house.

Chilean houses are more remarkable for their genuine, solid comfort than extreme elegance, although I have seen some private dwelling-houses, both at Valparaiso, Santiago and Concepcion, which may be described as veritable palaces, both externally and internally. Owing to the beautiful, clear, and preservative climate with which Chile is blessed—probably the most delightful and most healthful in the whole of South America—it is possible to introduce highly ornate sculpturings and other mural decorations to the houses, and there are many of these to be observed in the streets and squares of the cities above named.

Inside, gilding and wall paintings—which are largely found even in exteriorly modest-looking dwellings—last uninjured for years, and need no repair. The curiously dry and crisp atmosphere of Santiago, no doubt due to the close proximity of the incomparable Cordilleras with their everlasting snows, seems to have a preventive effect from dirt upon both the buildings and their contents.

A lady informed me that she never had to remove the lace curtains from the windows owing to dirt, although in the summer season a good deal of dry, gritty sand is found to be troublesome, especially when the wind blows in a certain direction.

This sand is a terrible nuisance outside Santiago, and is experienced in its most objectionable form by travellers on the railway between that city and Valparaiso. Voyagers arriving at either place after this journey both feel and look like Red Indians; the dust has a peculiarly adhesive quality, which, when the unlucky recipient perspires, forms a kind of red paste exteriorly over the body and in the hair, for the dust penetrates every

kind of garb, no matter how fine or thick this may be. The dust does not trouble the dwellers in the cities overmuch, since great precautions are taken by the Municipalities to prevent it from accumulating to any extent in the thoroughfares. Still, it is found very trying at times, and both windows and doors have to be rigorously closed against it.

I have seldom lived in a city where there was less noise in the public thoroughfares than in Santiago. The population, which exceeds 320,000, move about the streets without indulging in any of those objectionable and ridiculous sounds so dear to the hearts of South Americans in general, and particularly noticeable in Argentina and Brazil. The thoroughfares of Santiago, for the most part, are rather narrow, yet through them run trams, drays, and heavily-wheeled coaches of an ancient and lumbering type. The noise most noticeable is the rattling of the vehicle wheels over the rough cobble-stones, and it must be confessed that some—indeed, the majority—of the roadways in Santiago up till now have been kept in a disgraceful condition. But the whole city is being repaved with asphalt, an undertaking which has involved the expenditure of no less than £1,500,000, so that in a very short while these particular objections will be abolished.

It is in the absence of the usual character of street-cries, newspaper-calling and noisy musical instruments, that Santiago is so fortunate.

Even the trams, which traverse the city in every direction and at almost all hours of the day and night, glide along their way with scarcely a sound beyond the striking of rather musical gongs. The railway trains move out from and into the stations and through the public streets with very little whistling; but, as is the case in the United States of America, the locomotives carry heavy bells, which, so long as the engine is moving through the public thoroughfares, emit repeated clangs very much like the sound of church-bells, and therefore not unpleasant to listen to. No factory whistles, syrens (except on rare occasions, when the owners have to pay a tribute of \$100—*i.e.*, £7 10s.—to the Municipality for the privilege), street-organs, or chanting mendicants, disturb the quietude and serenity of the Santiago streets, either by day or by night.

CHAPTER VII

Railways in Chile—State lines—A new Santiago=Valparaiso Electric Railway—Southern extensions—The Copiapo Railway—Antofagasta and Bolivia Railway—Chilian Transandine in construction—Express trains on Government lines—Rolling-stock and equipment—Deficient waggons—Various kinds of locomotives—Lack of porters and station names

THE Chilians have taken a sensible view of their great responsibilities in regard to railways, having made State enterprises of most of them, the exceptions being a few situated in the nitrate regions, which are in the hands of private British Companies. If, as Gibbon has said, 'the civilization of a country may be judged by its roads,' certainly the progress of a country may be gauged by the number and character of its railways. Considering all things, Chile stands pretty high in this respect. Owing to the unique configuration of the territory, Chile requires a great longitudinal line running through from north to south, with transverse branches connecting it with the coast; and it is upon this principle that lines have been, and are being, constructed.

The State Railways at present in operation extend to nearly 1,500 miles, and they have cost over \$100,000,000. Private railways, in the north, which are continually being extended, have a length of about 1,450 miles. There are between 200 and 300 miles being constructed, so that in a very short time the Republic of Chile will have over 3,000 miles of railway open, which will give a proportion of something like 0·95 lineal mile of railway to each number of square miles of total territory.

In spite of the President's assurance to me personally that the Government is averse to granting railway concessions to private individuals, such a concession, and a very valuable one, too, has been recently passed by the Senate—in fact, as lately as January 5, 1905. This is a concession granted to a Chilian, named Ambrosio Olivos, and is for the construction of an electric railway from the port of Valparaiso to the capital of Santiago, in direct competition with the existing Government line.

How this fortunate gentleman managed to get the Senate to pass the Bill, and how much it cost him to do so, it is difficult to say; but there can be no doubt that the concession is a most valuable one in every way. The main line will pass through the valleys of Casablanca and Cutacavi, and enter the capital by the west. It will also build a small branch into the town of Melipilla, which will tap all the rich agricultural district round about. The new line will be shorter by several miles than the Government line, and will run trains considerably quicker, doing the distance of 140 kilometres between Valparaiso and Santiago in three hours, instead of four and a half, as at present. The concessionaire has thirty months' time in which to get out and have his plans approved, and two years from their final passing to commence construction. The line must be completed in five years from the time of commencement.

It is not believed that Mr. Olivos has any serious intention of constructing this line himself. He is probably one of those numerous concession-premium hunters who will in the end sell his concession to a foreign (probably a British) Company, which he is entitled to do by the ninth clause in his concession, the purchasers, whoever they are, having 'to renounce all diplomatic action to uphold the rights arising from the concession, and submitting themselves to the decisions of the Courts of the Republic.' This may mean a good deal more to the purchasers than appears upon the surface.

When the Southern Railways have been completed, and maybe even before, further attention will undoubtedly have to be given to the requirements of the Northern Provinces, especially Tarapaca (formerly the possession of Peru) and the two other places taken from Peru—Tanca and Arica. Already Tarapaca possesses railways running from the ports of Pisagua and Iquique, a few miles inland, while from the port of Tocopilla a short line runs to Toco. Extensions have already taken place on the Taltal line, while a new pier to accommodate the extra traffic has also been added. Additions to the rolling-stock have been made during the present year. It is expected that the current year (1905) will show an increase of 50 per cent. on the traffics of the Taltal Railway, which comprise nitrate, gold, silver and copper ores (down traffic), and coal, machinery, provisions, hay, barley and flour (up traffic); the line is 143 miles long.

The Copiapo Railway has not done so well, as the demand for coal, coke, and even the Company's principal product, copper ore, has fallen off of late. With the increasing trade experienced in the Republic generally, however, this depression is fully expected to pass away; and, as a matter of fact, the



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Plaza de Armas, showing the Cerro Santa Lucia in the distance, on the right of the picture



Copiapo Company has in contemplation the early construction of several branch lines to some of the more important mining centres. The Company, I am pleased to say, import most of their plant, machinery, and rolling-stock from Great Britain, and only a small portion from the United States. Unfortunately, British locomotive manufacturers seem unable to supply the demands of this Company, and consequently an order, which might easily have been filled in the old country, recently went to America.

The Antofagasta and Bolivia Railway Company have also an ambitious programme before them, for which they have secured all the necessary construction and working capital. The construction will take the form of several new branch lines, for which special concessions have been obtained, and the Company have entered into working arrangements with the mine-owners in the district to send a certain amount of tonnage over their branch lines, and thus over the main line, which will work out profitably for the Company. Their new branch lines embrace extensions to a place called Conchi, and another, somewhat arger, to the mining district of Collahuasi. The programme likewise comprises the opening out of the port of Mejillones, to the north of Antofagasta, and the construction of a branch to the nitrate district of Bogueuete.

The most northerly railways in the country are not State lines at all, but belong to British Companies—namely, the Iquique and the Antofagasta (Chile) and Bolivia Railway Companies, Limited. The Antofagasta line runs from the port of Antofagasta, in Chile, to Orura, in Bolivia, the present terminus.

The next line down the coast is also a British concern—namely, the Taltal Railway, running from the port of Taltal to a place called Arturo Prat, in the nitrate district. Following the coast still further south, we come to the Copiapo Railway, which runs from the town of that name in two directions—eastward to the port of Caldera, and westward and northward to Pueblo, Hundido, and the port of Chañaral. This line is also British.

Between Copiapo and the commencement of the State Railways there are one or two small local lines, that from Carrizal Bajo to Yerba-Buena (with sub-branches to Jarrillas and Artillas), and that from Port Huasco to Vallenar. An important piece of line is that running from the town of Serena, close to and in connection with the port of Coquimbo, to Ovalle, and hence on to the town of San Marcos (the latter now under process of completion).

The most important State Railway line commences at Valparaiso and runs to Santiago, the capital, from there con-

tinuing to Talca, with a branch line to the port of Constitucion, from Talca to Chillan, from Chillan to Concepcion, and from Concepcion to Temuco. Very rapid construction is proceeding to the important southern port of Valdivia, which was expected to be reached on January 1, 1905, but it will probably be a good many months—or years—before this place is reached. Trains are already running as far as Pitrufquien, but beyond this point a tunnel is causing some difficulty by displaying a tendency to cave in, necessitating bricking throughout.

A line of railway already runs from Valdivia to La Union, and beyond to Osorno, so that when the Pitrufquien-Valdivia section is completed there will be a clear run from the capital of Santiago, in the centre of the Republic, to Osorno, in the South. Here, for the moment, the Government's programme of railway construction comes to an end, but no doubt ere long the line will be still further carried on to Port Montt.

The present contractors of the Transandine Railway (Chilian side), who are 'live' men from a 'live' country, are not allowing the grass to grow under their feet.

What sort of work they are putting into the job I don't know, since they are very zealous about allowing anyone to see what they have done or what they are doing, and a good deal of secrecy—not at all a good thing to employ in connection with legitimate railway construction—is being observed. It is to be expected that no secrecy will be tolerated by the Chilian Government when the time comes to pass the line as fit to be opened to public traffic. The American contractors are, of course, buying most, if not all, of their machinery and plant from the States to complete the tunnel-boring; and already six or seven Ingersoll-Sergeant drills have arrived, and are being erected, while another ten are on their way out to the country. No work can be done in carrying machinery and goods during the winter, as all the passes are blocked with snow, and it is bitterly cold in the Andes.

The first section of this trans-Continental line (which will, when completed, rank as one of the most important and lengthy in the whole world, comparing with the Canadian Pacific and the Siberian Railways for actual length, but unique almost as to straightness across a whole Continent) was that opened between Mendoza and Villa Mercedes, which is now a portion of the Great Western of Argentine Railway. Then the line from Villa Mercedes was carried on to Buenos Aires, this being the property of the Buenos Aires and Pacific Railway Company. Next came the concession for completing the Mendoza line as far as the Andes, on the Argentine side; and here, owing to the unfriendly and hostile attitude of the Chilian Government, the line has been arrested for many years.

Only quite recently—in fact, in June of last year—has the final consent of the Chilian Government been obtained to carry the line on to what will form the junction with the Chilian State Railway, and which terminates at present at a small town called Los Andes. When the work is finished—I do not expect that this will be for another two or three years, as the engineering difficulties on the mountain section promise to be of a very formidable character—passengers and goods will be able to go right through from Buenos Aires, in the Argentine, to Valparaiso, in Chile, with only one change of carriage, and this need not be incurred but for the fact that the tracks of the associated lines are of different gauges, one broad and the other metre.

Having travelled over all the principal lines belonging to the State and to some English Companies, I do not hesitate to state that, while, as will be found hereafter, I have seen much legitimate cause for fault-finding, the general pronouncement that the Chile railways are 'the worst in the world' is a great misstatement. I have seen and travelled upon many lines belonging to British Colonial Governments infinitely worse than even the worst of the Chilian lines; while in England itself there exist many abuses which do not present themselves in Chile, and over all rides the fact that the State Railways of this Republic carry passengers at the cheapest of any rate in the two hemispheres. Cheapness and efficiency do not go hand-in-hand so frequently that they can be looked for as a matter of course.

Again, it must be borne in mind that Chile has to contend with a great difficulty in the formation of the country, a long, narrow strip of land with a sea frontage nearly thirty times its extreme width, and a gigantic range of mountains, among the highest in the world, to negotiate and avoid.

It is the present policy of the Chilian Government, under the wise and prudent rule of President Riesco, to push on the State Railways as rapidly as possible. During the past four years great strides have been made in this direction, but, unfortunately, while new lines have been built, the old ones have been seriously neglected, with the result that what the country has gained on the one hand it has lost on the other. Little or no attention is paid to maintenance, and here, at least, the profound discontent which is heard among those who use the lines for conveyance of goods seems justified.

Even experience does not apparently teach the railway management much wisdom, and the ambitious programme which the Government has laid itself out to accomplish would appear to monopolize the intelligence and the ability of the management to the exclusion of that attention and care which the existing lines demand.

The rolling-stock on many of the lines is in a deplorably bad condition. I have seen some hundreds of open trucks, cattle-waggons, and closed vans running along at express speed literally tumbling to pieces: doors hanging by one hinge, planks forming the sides or flooring in splinters and parts missing, some waggons carrying only one buffer, and others without the necessary coupling-gear—in fact, a highly discreditable state of neglect, for which it is difficult to find any excuse. On the other hand, the Government lines possess some excellent locomotives and passenger and saloon cars, the former of British and American build, the latter constructed in the country after the most approved European designs.

Nearly all manufacturers in the Republic, as well as the principal shippers of produce, complain of the inadequacy of the rolling-stock, as well as of the shocking condition into which the existing stock is permitted to fall. In one instance a coal-mining Company at Coronel, under contract to supply the State lines with 30,000 tons of coal monthly, had to reduce its output by one-half because there did not exist a sufficient number of trucks to bring the coal from the pit to the stock-yards. In another case, a big flour-mill at Concepcion found itself unable to supply its customers with more than a third of its daily output on account of the absence of transport arrangements. The same story was told in all parts of the country, and with some users of the lines the deficiency of rolling-stock meant heavy financial losses. I was informed by the railway authorities that the cause for this deficiency was the suddenness with which trade had expanded, a suddenness so great and unexpected as to have taken the Government entirely by surprise. Every effort, so it is said, was being made to grapple with the difficulty, and in the near future this cause of complaint at least promises to disappear. But the great and equally serious one of sending ramshackle waggons and trucks on to the lines and running them at express speed has also to be remedied. It is not surprising to hear that accidents both to passengers and goods are of frequent occurrence; and inasmuch as the State Railways are sometimes condemned to pay heavy damages as the result of these occurrences, the stupidity of this neglect is at least as apparent as its inhumanity.

I think it only fair to the railway authorities to mention another reason which has hitherto prevented them from adding to their freight rolling-stock. The rush of business experienced is usually merely temporary, although it is periodical. The busiest season is from January to April, when immense quantities of cattle, grain, and other agricultural produce are sent over the lines, and when every waggon and truck are in demand; but during the remaining eight months of the year

business in such classes of freight is practically dead, and only coal is carried regularly. The railway authorities consider it inexpedient to purchase a quantity of new rolling-stock, which would have to lay idle for two-thirds of the year; and to some extent this is to be understood.

It is estimated that, to supply the necessary additional waggons, trucks, and locomotives, a sum of at least \$1,000,000 would be needed, and this is the amount for which the Government has asked Congress. The latter, however, have again dispersed without granting the request, and the Government has since had to purchase and pay as and when it could—in a word, in dribblets. There are at present in use scarcely more than 150 locomotives on the entire system, and while, as I have said, some few of these are of recent and satisfactory build, the great majority are both antiquated and inefficient. There are probably some fifty different types of these engines, some still being used which were in the sheds on the day that the line was first opened for traffic.

The express trains which are run on the State lines travel at a uniform speed of from 30 to 35 miles an hour. The tracks are for the most part exceedingly well laid and admirably ballasted, *mirabile dictu*; they are, moreover, efficiently maintained. The local and suburban trains, on the other hand, are very indifferently run, the types of carriages used being the worst which exist; and these, I may again point out, are very bad indeed. Overcrowding is also a very serious matter, as many as twenty-five people being allowed to enter a compartment originally built to accommodate ten. Passengers are permitted to hang on to the foot-boards or the window-frames—in fact, to jeopardize their own lives and the comfort of their fellow-passengers. The guards apparently possess no functions beyond the collection of tickets from the travellers, who for the most part have to look out for themselves. There is a great dearth of porters at smaller stations, and the arrangements for the carrying of passengers' luggage are primitive and unsatisfactory. Only a few of the stations passed *en route* bear any visible names, and although the guards are instructed to call out the name of the station to which the train is speeding a minute before its arrival, the practice is more honoured in the breach than the observance.

CHAPTER VIII

Chilian railway construction—New extension to Valdivia—Pitrufrquien—Antilhue extension—Heavy bridge building—Pneumatic foundations—The Calle-Calle bridge—The Alquintue tunnel—Damage done by winter floods—Permanent way—Stations and warehouses—Inadequate accommodation—Arauco Company's Railway—Line and rolling-stock—Relations with Chilian Government—Doubtful outlook—Question of guarantee—Condition of coal trade—Local coal competition

UNQUESTIONABLY the art of railway construction is perfectly well understood in Chile, and in the matter of accuracy of detail and excellence of workmanship there is little to complain of. The only cause of regret that one observes is that in the majority of cases where equally good material and labour have been employed in connection with existing lines, a careless and indifferent management has permitted the wear and tear of the permanent way to occur without devoting any attention to maintenance and repair. This has been the great drawback observable in connection with the State Railways of Chile in general, and I fear that it is destined to exercise a very detrimental effect upon the whole system—both old and new—of the railways of this Republic, unless a more intelligent and enterprising control is speedily inaugurated. Of this, however, I received but little proof.

The new extension commences at the town of Pitrufrquien, a wretched and poverty-stricken place so far as appearances go, to which one wonders that the Government ever deemed it necessary to carry the line in the first instance. The new line will be some 115 kilometres in length, and the existing line from Antilhue, the proposed terminus of the new construction, to the important port of Valdivia covers a further 28 kilometres. This line is part of the Valdivia-Osorno route, and the two lines (the Pitrufrquien-Antilhue and the Valdivia-Osorno) will meet at the Antilhue Junction.

Altogether there will be twelve bridges, both large and small, but of this number only two are actually completed. The masonry work of some four or five others is finished, and, after a careful inspection of this work, I am prepared to say that



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HIS EXCELLENCY DON GERMAN RIESCO

President of the Republic of Chile



where it is completed it is of an excellent and enduring character. In the meantime a number of wooden provisional bridges, very solidly constructed, are in use for the trains which run daily over the line carrying material and, once a week, passengers, the latter being taken entirely at their own risk, and without having to pay anything for the privilege. The names of the places where bridges will be, or have already been, erected are: Chada, Locunco, Donquil, Loncoche, Lanco, Laficahue, Ciruelos, Rucaco, Rucapichin, Inaque, Mafil, and Calle-Calle.

It is in connection with the last-named bridge that the most work has yet to be done. It is the longest bridge on the whole section, and will have to be several feet higher than any other on this line, owing to the steepness of the banks of the river. At present there is no sign of any iron bridge such as will have to be provided, and I saw no evidence of any serious attempt at masonry supports or any pneumatic foundations. I am informed that 'the bridge has actually been sent out from France, and is only awaiting erection'; but inasmuch as little or nothing has been done to prepare the foundations of the bridge when it does arrive, I am afraid that those who count upon its speedy completion are doomed to disappointment.

In spite of the country being almost entirely flat from end to end of the new section, there being but one tunnel constructed on the whole road, it is a very difficult line to deal with, owing to the terrific floods with which the whole south of Chile is afflicted in the winter. Thus, the bridges will have to be of a particularly strong and solid nature, and the pneumatic foundations of some five of the bridges especially sound and well constructed. Every year, with the rise of the floods, railway traffic is seriously interfered with, and it is with the view of avoiding this as much as possible that the new bridges are being carried more than ordinarily high. Fortunately, the demands made upon the engineering department are well appreciated, and there is little room to doubt that, even if the work of construction proceeds but slowly, the result will be everything that the most exacting can expect or ask. The contractor is Señor Bobillier, a French engineer, while Señor Ernesto Thomann is the very capable engineer-in-chief of the construction staff. Unfortunately, the rains are so heavy and continuous in the winter months that practically all construction work is suspended, and every year between April and October there is little or nothing done to the new line on the open track.

Although the local Press writes encouragingly of the new line being opened for traffic 'within a few months' (a little while ago an enthusiastic journal even went so far as to foreshadow

the nature of the festivities which were to be held in connection with the auspicious event), I give it as my firm opinion that another two, and possibly another three, years will elapse before the line can be actually finished. There is a good two years' work yet to be done in the pneumatic foundations for five of the twelve bridges; while, unless I am mistaken, the Calle-Calle bridge will not be completed before the end of 1908.

The construction of all these bridges is in the hands of Messrs. Schneider and Company, of Creusot, France, and for many reasons, into which I do not deem it necessary to enter, the work hitherto has been rather slowly carried out. I understand that, in order to expedite process of construction, the firm in question propose erecting large ironworks, fitted with all the newest bridge-building appliances, at Valdivia, thus avoiding the necessity of sending out everything from France. If this plan is carried out, much time may be saved; and inasmuch as Messrs. Schneider and Company possess the sole and exclusive contract for all railway bridges used on the State Railways of Chile, no doubt it would be well worth while erecting the workshops as suggested.

A serious contretemps occurred while I was in Chile (February, 1905) in connection with the only tunnel on the line. This is known as the Alquintue tunnel, which cuts through a moderately high but steep range of hills, running at right angles across the line, and unavoidable from any point of view. The tunnel commences at the fortieth kilometre from Pitrufquien, and is about 5 kilometres in length. Just when the boring operations were completed, a big cave-in took place, immediately above the centre of the tunnel, and the engineers, when they have cleared this, intend to brick the tunnel from end to end. The operation can, fortunately, be carried out during the winter months, as there is little probability of the tunnel being flooded, and therefore, while temporarily impeding ballast traffic, no actual time will be lost in carrying out this portion of the work. In any case, the line is useless so long as the bridges remain incomplete.

Owing to the heavy winter floods already referred to, a good deal of heavy trestle work has had to be constructed. There are altogether nine viaducts of such work, built of massive timbers, well creosoted and clamped with heavy iron bolts and cross-pieces. These viaducts are erected at the Lanco, Leficahue, Ciruelos, Rucaco, Inaque, and Calle-Calle bridges as let-outs for inundations. They measure in all 1,710 metres, the shortest length being 60 and the longest 480 metres.

There are a large number of open bridges and culverts, and, while I am not certain as to the precise number, I should say that there are about sixty-five such culverts on the Pitrufquien-

Loncoche section (under the direction of one engineer), and about fifty-five open bridges and twenty-eight culverts on the Loncoche-Antilhue section (which is under the direction of the chief engineer, Señor Thomann).

In regard to the gradients, these are extremely moderate, the highest amounting to but $1\frac{1}{2}$ per cent. and the smallest to 1 per thousand. The smallest curve made is of 300 metres radius. The start-off of the line at Pitrufoquié is situated at 93 metres above sea-level, and the line arrives at its highest point of 149 metres in the tunnel. Then a gradual descent is made down to Antilhue, at 18.50 metres above sea-level.

Where it has been completed the permanent way is well laid, and is well ballasted. A rather light rail is being used, namely, 38.5 kilogrammes per metre, the line being, as are all the Government lines in Chile, broad gauge. The track is a single one, but there are sidings at various stages, and the line is triplicated at all the stations. These latter are neatly built of corrugated iron sheeting and wooden rafters, but the closed 'bodegas,' or warehouses, appeared to me to be far too small in holding capacity, considering the large amount of agricultural produce which is carried and stored during five months out of the year. I think a mistake has been made in economizing in this direction, which is merely a repetition of similar errors in connection with other State lines of Chile, the consequence being that the station approaches are encumbered with thousands of bags of produce lying about exposed to the climate, there being no accommodation available under cover.

I may mention among other State and private railways in course of construction the following: From Inca to Copiapo, from Rayado to Papudo, from Rayado to Vilos, from Melipilla to San Antonio, from Santiago to Peñon, from San Bernardo to San José de Maipo, from Rancagua to Doñihue, from San Vicente to Peralillo and tunnel of Buruga, from Curicó to Hualañé, from Angeles to Antuco, from Coihue to Nacimiento, from Púa to Cura Cautin, and from Osorno to Rio Negro.

The Arauco Company, Limited, are the owners of the Arauco Railway, or, as it is locally termed, 'Ferrocarri de Concepcion à los Rios de Curanilahue.' The building of this short but important line was authorized by law on October 23, 1884. It runs from Concepcion to Curanilahue, a distance of 95 kilometres, and has a branch line to Arauco, a further 8 kilometres, or a total of 103 kilometres. It cost £650,000 to build and equip. The Chilian Government guarantees during twenty years the interest of 5 per cent. on \$30,000 (of 36d.) per kilometre, or, say, 103 kilometres at \$30,000 = \$3,090,000 at 36d. = £463,500. The annual guarantee of 5 per cent., therefore, comes to £23,175.

During the first ten years the working expenses are taken at 60 per cent. of the gross receipts, and at 55 per cent. during the following ten years.

The following technical details of the line may be interesting :

Gradients.—1·60 per cent. per 1,600 metres against the traffic ; 1·05 per cent. per 1,800 metres with the traffic.

Speed.—30 kilometres per hour (on level stations).

Minimum Radius.—200 metres.

Gauge.—1·68 metres = 5 feet 6 inches.

Tunnels.—There are twelve tunnels, varying in length from 23 to 406 metres.

Bridges.—Two of iron and seven of wood. The iron bridge over the Biobio River is 1,876 metres long. The lengths of wooden bridges vary from 30 to 300 metres.

Stations.—There are eleven, as follows : Concepcion, 0 kil. ; San Pedro, 3 kil. ; La Posada, 17 kil. ; Coronel, 28 kil. ; Lota, 37 kil. ; Laraquete, 48 kil. ; Carampangue, 59 kil. ; Peumo, 69 kil. ; Colico, 79 kil. ; Curanilahue, 91 kil. ; and Arauco (on the branch line).

This is 8 kilometres from Carampangue and 67 kilometres from Concepcion. There are 4 kilometres from Curanilahue to Descabesado, but there is no station at the latter place.

Rolling-stock consists of the following : Four Fowler engines, 15-inch cylinder ; two Fowler engines, 9-inch cylinder ; five Stephenson engines, 15-inch cylinder ; two Manning and Wardle engines, 12-inch cylinder ; two small narrow-gauge engines adapted to 5 feet 6 inch gauge.

Waggon, etc.—Five passenger coaches, first class ; 5 passenger coaches, second class ; 2 passenger coaches, first and second ; 215 waggons, 10 tons each ; 99 waggons, 20 tons each ; 2 goods waggons, 20 tons each ; 25 goods waggons, 10 tons each ; 14 waggons (cattle) ; 44 ballast cars ; 5 breaks ; 2 passenger and luggage vans.

RECEIPTS AND EXPENDITURE.

	1903.		1904.	
	First Half-Year.	Second Half-Year.	First Half-Year.	Second Half-Year.
Receipts	\$ 437,406·01	\$ 389,009·10	\$ 459,047·99	\$ 403,781·23
Expenditure	276,565·26	270,508·60	260,729·72	282,471·10
Net profits	160,840·75	118,500·50	198,318·27	121,310·13
	Per Cent.	Per Cent.	Per Cent.	Per Cent.
Proportion of working expenses to gross receipts	63·22	68·04	56·79	69·95
Proportion of receipts :				
From public	76·91	77·86	72·95	60·47
From Arauco Company's coal from own collieries	23·09	22·14	27·05	39·53

Passengers.—99,705 passengers travelled in 1903; 95,366 passengers in 1904.

The receipts from this source in 1904 are equal to \$0'04 per kilometre per passenger.

Freights.—The receipts from freight traffic in 1904 are equal to \$0'0039 per metric quintal per kilometre.

The Chilian Government, following the bad example of other South American Governments (especially that of Uruguay), have not fulfilled their obligations in regard to the payment of the stipulated guarantee, and at the present time the Company is owed something like £36,000 under this heading. Attempts the reverse of honourable have been made by the Government to bully the Company into modifying or abandoning their claim, but, I am glad to say, without effect. The Government, under some shallow pretext, claims an offset of £15,000 against the Company.

Sir Robert Harvey, the Chairman, in addressing his fellow-shareholders at their last annual general meeting (the first held for about eight years), pointed out that the Company is largely dependent upon the Chilian Government orders for the States Railway, for the purpose of supplying which the Arauco Railway was connected to the State Railway by a special siding at Concepcion. Sales are also made to steamship Companies and to various private steamers; but the demand is not on a sufficiently large scale to enable the Company to make profits adequate to fully meet its obligations. The sales to the steamship Companies increased during the latter part of last year, and the continuation of these contracts during this year shows larger sales in this direction than formerly. The problem of finding a market on the coast, on a sufficiently large scale, for the Company's coal is an extremely difficult one, while, additionally, for more than a year past the coal market has been very depressed. Competition from English and Australian coal, both of which are carried at very low freights, is very keen, and whilst the price of imported coal is low it is impossible for native coal to compete. All native coal is inferior in quality to imported coal. The Arauco Company has to suffer also from great competition from native producers in the immediate neighbourhood (the Schwage Mines especially), which is more severe than at any previous time. The Company has extensive collieries in an excellent state of development, and a well-run railway. It requires to earn about £40,000 per annum, in all, to pay fixed charges, or £15,000 more than was actually earned in the course of last year.

CHAPTER IX

Commercial Chile—Mineral wealth—Gold-mining—Former output—Some prominent mines—Silver—Enormous amounts mined—Copper—Valuable ores and how treated—The copper output—'Chile Bars'—The labour supply—Speculating in sheep-farming shares—A boom and a collapse—Some remarkable fortunes made—Colonel Sir Thomas Holdich's Land Company—Nitrate industry—Annual value and expenses—Government revenue—Chilian workmen and their employers

CHILE'S commercial education commenced in 1844, when, almost first among the South American States, it introduced steam navigation. In 1855 came the electric telegraph; in 1853 the postal service; in 1860 tramcars; and in 1868 the first railway track was laid down. The electric light illuminated the streets of Santiago as early as 1880, a few years, I believe, before adopted in London. The telephone service, introduced in 1884, has been maintained and steadily improved ever since, the supplying Company being a British concern very well managed.

Chile's principal commercial pursuits are agriculture and mining. I have been informed that over 6,200,000 acres are at present under cultivation, but as Chile's arable land exceeds 25,000,000 acres, it will be seen that barely a fourth of the available land has been taken up. As to the Republic's mineral wealth, this includes great quantities of coal, principally near the Bays of Arauco and Talcahuano; but I do not consider the coal is of first-class quality, more nearly approaching lignite than the true matured combustible substance as it is found in Great Britain and elsewhere. Some of the seams are $5\frac{1}{2}$ to 6 feet thick, slope towards the west, and are for the most part under the sea. Coal has also been found in the neighbourhood of Angol, Temuco, and Cholchol.

Nitrate of soda, so fruitful a source of the country's wealth, I refer to more fully in another chapter. Copper ranks next in importance to the nitrate of soda, the principal mines being in the Provinces of Atacama and Coquimbo. The most valuable and paying metallurgic centres are at Iquique, Cobiya, Antofagasta, Taltal, Chañaral, Copiapo, Higuera, Guayacan, Aconcagua, Santiago, and Lota.

Although gold-mining has fallen off very considerably in Chile during the past 100 years, in ancient times it must have been one of the greatest enterprises of the Spanish occupiers. Baron Von Humboldt, during the eighteenth century, declared that no less than 16,340,000 ounces of gold were produced in Chile, which at £4 an ounce would amount to £65,360,000. It is certain that such mines as the Imperial, Valdivia, Osorno, Quilota, Chopa, Coquimbo, and Copiapo yielded enormous quantities of gold in those 'good old times'; while to-day Santa Cristobel (in Antofagasta), the famous Guanaco (near Taltal), El Inca and Cachicayo (in Atacama), and many others, are still yielding the precious metal in fair quantities. The Canutillo mine, which is one of several owned by English Companies, is working satisfactorily, and has one of the most up-to-date plants to be found in South America. One comes across several old workings now and again which have been abandoned. One day these may be again reopened, probably with as much success as has been met with in Egypt.

Gold-mining is not only carried on by means of crushing (the gold being found in very brittle and easily-worked white quartz), but also by hydraulic process. At San José, near Valdivia, there is a hydraulic mine which has been worked for the last six years with decidedly encouraging results. Silver is also found in great abundance; in fact, fabulous quantities of the white metal have been produced during the last thirty-five years. Just at present, however, owing to the low market price of silver, the workings have decreased, in addition to which some 16,000 workmen who formerly mined for silver in the department of Copiapo have gone up to Tarapacá, where they find work on the nitrate-fields more profitable.

Copper, I need scarcely say, is one of Chile's most renowned products, and some sixty years ago the output of this metal amounted to one-third of the world's entire production. A certain class of unrefined copper is still distinguished as Chile 'bar.' About twenty years ago the annual production was 40,000 tons of copper, but it is now reduced to between 25,000 and 27,000 tons. The two largest metallurgical works in Chile are at Lota and Coronel, already referred to by me in Chapter IV. At these are smelted all the copper ores and mattes purchased along the coast of Chile. Steamers belonging to the wealthy Cousiño family, who own the Lota coal-mine, and practically everything and everybody in Lota, bring down copper ores from the north, and take away coal from Lota and Coronel.

Many improvements yet remain to be introduced into the method of mining and working up ore in Chile. I should say that this Republic offers a great field for technical specialists in

the mining industry. The one great factor against complete success is the lack of sufficient labour, from which mining, like most other enterprises in the sparsely-inhabited Republic of Chile, suffers, and must continue to suffer for many years to come.

The manufactures of Chile do not as yet rank as of any great importance, and are only known locally. Nevertheless, a fair amount of native industry is carried on, considering the small amount of the Republic's population. Milling is represented by some 500 flour-mills, nearly all of which are fitted with the latest British-made flour machinery, such as that of Symons, of Manchester, one of the finest mills being at Concepcion, the property of Messrs. Williamson, Balfour, and Company, an enterprising and successful firm with branches all over the country. This mill is fitted with the most modern appliances, and is the largest in the country. There are others in the provinces of Santiago, Valparaiso, O'Higgins, Talca, Linares, Ñuble, Malleco, Cautin, and Valdivia. Other industries may be said to include tanning, brewing (mostly in the hands of Germans), wood-working, furniture, and cooperage. A good deal of distillation of alcohol goes on—in fact, far too much for the sobriety of the public, a fact which at last has come home to the Government, which is now considering more severe and restrictive legislation, having already introduced some without any marked effect upon the amount of drunkenness among the poorer classes. The fishing industry of the country is absurdly backward, considering the enormous stretch of sea-coast which it possesses. As a rule, fish is so dear as to be only within reach of the wealthy classes, the poorer scarcely ever tasting it. Where the trade is indulged in at all, the Chilean fishermen use the same primitive implements as did their forefathers. The Chilean fisherman is a lazy and improvident creature, who lives very much like an animal, and cannot be induced to rise above that level. And yet the piscine wealth of Chile is both abundant and varied. It might be made an excellent industry if properly understood, and fish could thus become a moderate-priced article of diet. It needs, however, some initiative upon the part of the Government, and the importation of some German, Scandinavian, or Finnish fishermen to show how things should be done. A Chilean usually considers himself well off if he owns a boat (which with oars and sails costs about \$150), a 'pejerei' net, a fishing-net for 'corvina,' a fishing-line, trammel-net, trawl-net, a 'cavincero,' three fishing-nets for 'blanquillo,' three baskets, three harpoons for 'corvinas,' etc. His annual earnings average \$400 to \$500, and beyond that he seems to have no aspirations to rise.

When I was at Valparaiso in February last (1905), I was



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ISLAND OF JUAN FERNANDEZ

The acknowledged identical "Robinson Crusoe's" Island, situated about 150 miles from the coast of Chile
The photograph shows the landing-place and Diamond Hill

witness of a sensational 'boom' in sheep-farming lands such as would have done credit—or discredit—to Throgmorton Street in the good old 'Kaffir' or 'jungle' days. It needed no gifts of prophecy to foretell what was bound to happen, and what I wrote at that time to the *Glasgow Herald* and *Financial News* speedily came to pass. In fact, side by side with my articles in both those journals was printed the cable despatch from Reuter recording the very circumstance which I had forecasted three weeks previously from Valparaiso.

While it lasted the land boom was very severe. The whole origin of the mad gamble in shares of sheep-farming Companies arose no doubt from the glowing descriptions contained in some newspaper articles, and the opinions said to be entertained by Colonel Sir T. H. Holdich of the lands in South Chile which he had had the opportunity of inspecting during his trip on the King's Award business. This was not the first time Chilians had indulged in the luxury of a boom and had been caught in the end. Local history tells of intense popular excitement and feverish speculation in connection with some hidden treasure, presumably of the dead, but not forgotten, Incas, at a place called Chañarcillo, in connection with the copper mines of Carrizal, and again at Coracolls. The indispensable 'oldest inhabitant,' however, declared that one and all of these indulgences were less than nothing compared to the widespread and intense character of the 'sheep-farm' speculative fever. In the course of three weeks some eighty different sheep-farming Companies were formed and floated in Valparaiso, and in every case the shares rose to an absurd premium, ranging anywhere from 100 to 1,000 per cent. Even the investors themselves would have found it difficult to recite the names, to say nothing of the localities, of the majority of these enterprises, and, to do them justice, they did not even inquire. It sufficed for them that they had bought some stock in 'something' at some price, and all they concerned themselves about was to sell that 'something' again at some higher price to somebody else, and in almost every case they succeeded. The old adage that 'the devil takes the hindermost' had not then commenced to assert itself in the minds of the speculators, who were gaily pursuing the game day in and day out, Sundays and feast-days included; but the truth of it came home to them later on.

One broker, whose finances were at a very low ebb, cleared \$480,000—say, at the present price of exchange, £32,000—at one settlement, and then, selling his seat on the Exchange for another \$20,000, he sensibly departed, to pass the rest of his days in honourable retirement in the land of his birth, which happened to be Germany. A young bank clerk, receiving \$250 a month, made a small fortune, amounting to \$120,000, in

a few weeks. He also went away from Valparaiso, and bought a ranche in the Terra-del-Fuego district, where he hopes he will be able to pursue sheep-farming on a large and profitable scale. Several humble youths, such as newspaper-sellers and errand-boys, made their \$1,000 and \$2,000 apiece, although how they obtained the necessary credit in the first instance I am not aware. Inasmuch, however, as during the boom several small robberies from the office tills had been noticed, but ignored, in view of more important affairs proceeding, the methods of raising the indispensable capital among some of these juvenile speculators may be guessed at.

The industry of sheep-farming is certainly not a new one, even in Chile. Shepherds have been feeding their flocks in South America almost as long as their peaceful brethren have pursued the same occupation in the Old World. There happened to be no particularly heavy demand for wool, nor had anything occurred to make sheep-farming any greater or any less of an attraction than it always has been, and yet the furor seized the public mind, and apparently there was 'nothing like wool.' Such a possibility as a glut of the commodity and the consequent fall in price did not enter their heads. That conviction, however, came later.

The scene of the actual gambling was in Valparaiso and Santiago principally; but the locality of the lands which were the subject of the gambles is a dreary and but little known district, marked on the map Patagonia and Terra-del-Fuego, belonging partly to Chile and partly to the Argentine Republic. By far the greater portion of the territory so named belongs to the Argentine, and those who know anything of the South American, and who are gifted with foresight, could easily perceive that innumerable disputes were destined to occur over possession of these vast but cheerless regions, neglected and almost forgotten for so many years, but suddenly converted into veritable Eldorados. Experts declare that these lands are admirably adapted for sheep-farming, which is no doubt true enough; but sight should not be lost of the additional facts that, being situated in the cold and inhospitable region of Cape Horn and the rigorous Antarctic Ocean, the unfortunate sheep sometimes die off by thousands in a single night, while human life is almost impossible there during the greater portion of the year. It is true that a certain number of hardy Northerners—Englishmen, Scotchmen, and Scandinavians—manage to live in Patagonia and the Magellanes all the year round; but only they can tell of the terrible conditions under which they exist and the privations which they have to endure.

To consider this wildly-exploited region as a land adaptable to any and every kind of settler, as the speculators were

endeavouring to impress upon the public, was sheer nonsense. Even the native Indians succumb by hundreds to the extreme rigours of the winters there; and any sailor who has once passed round the Horn in a winter gale will tell of the awful experiences which have been encountered. I do not wish to indicate that all the newly-exploited lands lay in this extreme region, but most of the territory was situated in or about this neighbourhood, and subject to more or less very severe winters, and consequent great loss of stock from cold and exposure. Water is plentiful enough when it is not frozen, and the short, close grass upon which the sheep feed is abundant all over the district. The farms already being worked, which only amount to a few considering the vastness of the region, yield a fair, but a by no means sensational, return when taken in the aggregate. Last year, as a matter of fact, the winter proved to be an unusually mild one, and, as a consequence, the flocks thrived and multiplied amazingly. Probably this altogether exceptional occurrence gave an impetus to the ball of speculation which was set rolling so merrily between Valparaiso and Santiago, and threatened at one time to reach as far as Europe; but, beyond the mere fact of a good year in 1904-1905, I could see nothing whatever to justify the astounding speculation which took place in these desolate Patagonian lands. Of the £6,000,000 of capital which was so gaily subscribed to work this district from local sources, I do not suppose that a third will ever be returned to the speculators, unless, indeed, Fortune proves uncommonly kind, and Nature herself consents to reverse her usual severity in favour of the confiding sheep-farmer. The Chilian Government has long offered every kind of inducement to settlers in this region, for reasons which can well be understood. Grants of free land are made in every direction; for settlement in the Magellanes and Patagonian regions is important to the Chilians at present, especially when that whole vast continent is threatened with commercial extinction so soon as the Panama Canal becomes *un fait accompli* (if it ever does), and turns the present Pacific trade from the South to the North.

It is interesting to note that shortly after the Argentine Chile Boundary Award a concern was registered in London as the Anglo-Chilian Pastoral Company, Limited, with a capital of £121,000 in £1 shares. The Company was formed 'to adopt an agreement with Señor Don R. Bravo and Señor Don A. Allende; to acquire any landed property in Chile or elsewhere in South America; in particular, to acquire certain lands within the watershed of the River Cíanes or Frias,' etc. Among the first signatories were the King's Commissioner, Colonel Sir T. H. Holdich, K.C.M.G., K.C.I.E., C.B., of

41, Courtfield Road, S.W., for 250 shares; F. Hyne, 24, Coleman Street, E.C., 250 shares; A. Wethered, 70, Cornhill, E.C. (late sheep-farmer, Gisborne, New Zealand), 500 shares; and also Sir A. C. Gosling, K.C.M.G., 30 and 31, St. Swithin's Lane, E.C., 250 shares. Colonel Sir T. H. Holdich, F. Hyne, A. Wethered, Sir A. C. Gosling, and F. W. Kerr, are mentioned as Directors. So far, no public issue of any of the share capital has been made.

South America is said to possess the only nitrate-beds in the world, and Chile undoubtedly possesses the finest nitrate in South America. The raw material is known as 'caliche,' and is found exclusively on the South-West coast of the South American continent, between the parallel of 20° and 27° south latitude.

Nature seems to delight in placing her most valuable gifts in either very dangerous or wholly inaccessible and otherwise unattractive portions of the earth. The nitrate deposits are no exception, inasmuch as they are situated at great altitudes—never less than 2,000 feet above sea-level—anything between 50 and 100 miles from the coast, and amid vast mountain ranges absolutely bare of a blade of vegetation. Profitable though the working of nitrates may be, it is deadly dull occupation, and it does not follow that every nitrate-bed that is discovered is fit to work; but, if so found, the much-prized salt is got out by blasting.

At every explosion hundreds of tons of stuff are thrown into the air, after which collecting the 'caliche' in lumps is easy work. Powerful machinery pulverizes the stuff, and it is then run into huge boiling-tanks, where it is allowed to pickle from eight to twelve hours. By this process the 'caliche' is dissolved, the sand and other refuse being allowed to drop to the bottom of the tank, from which they are cleaned out periodically. The liquid known as 'calso,' which contains the precious nitrate and salt, is run off into vats and allowed to cool and crystallize. When dry, the nitrate is put up into bags, and then despatched by rail for shipment. The residue of salt is a by-product, and is used in some cases, but discarded in others.

There is nothing more depressing or gloomy in appearance than a nitrate-field, the whole country in which it is situated being of the most dreary nature—sand, sand, sand everywhere, except where the bare, brown, cruel-looking mountains intervene. Most people who go up to the nitrate-fields feel at first the greatest depression of spirits, and invariably look forward to the time when they are to be released from their voluntary but trying imprisonment.

Huge fortunes have undoubtedly been made out of the nitrate

deposits, but there have also been periods when producers have not obtained even a moderate amount of interest on the capital invested; everyone working nitrate has been considered lawful prey by banks, lawyers, companies, and officials. Nearly all the oficinas belong to British capitalists, but some are owned by Germans. Out of the total capital which has been invested in the nitrate-fields, the Chilian Government has received £2,700,000 for periodical sales of nitrate claims; £4,000,000 have been invested in plant, £2,500,000 in railways, and £250,000 in piers and other works at shipping ports. Wages are paid at the rate of \$30,000,000 a year, exclusive of the wages of the railway employees, and those of the shipping ports, which may be put at another \$8,000,000. The industrial establishments consume \$30,000,000 worth of produce, and pay \$10,000,000 for import duties on foreign goods; so that, taking one consideration with another, the nitrate industry contributes something considerable to the National Treasury of Chile.

It was believed at one time that the life of the nitrate-fields was near extinction, and so far as those of Tarapacá were concerned, it is possible to say they will not last much longer than fifty years; but the adage 'out of evil cometh good' was exemplified in the case of the recent war between Chile and Peru, so far, at least, as one of those countries was concerned, since one result was that Chile accepted one of Peru's provinces, Tacna (which is divided into two departments, Tacna and Arica), as an indemnity. At the time these were handed over little idea of their real value was entertained, but it subsequently transpired that they possessed nitrate deposits in such abundance that a supply for at least 500 years has been estimated. It is small wonder that Peru is now hankering after its lost Province, which, by agreement with Chile, was to be re-delivered to it again after ten years, provided a cash indemnity of £10,000,000 were paid. Now, however, Chile declines the cash indemnity, and sticks to the Province. But negotiations are still proceeding.

A vast amount of British capital is invested in the nitrate fields. This takes the form of railways, steamships, and oficina enterprises, and probably I do not exaggerate when I say that about £20,000,000 to £25,000,000 of British capital is invested in the Chilian nitrate-fields. The Nitrate Railway Company, which owns both railways and nitrate works in the province of Tarapacá, has alone a share and debenture capital of nearly £4,000,000. The Anglo-Chilian Nitrate Company, which has nitrate-grounds in the province of Antofagasta, as well as a railway and other works, has a total share and debenture capital of another £1,071,800. Then among others are the Rosario Nitrate Company, the Lagunas Nitrate,

Santiago Nitrate, New Paccha and Jazpampa Nitrate, Pan de Azucar Nitrate, Amelia Nitrate, Angela, San Sebastian, San Lorenzo, San Jorge, Santa Rita, Salar-del-Carmen, and some of lesser importance.

Those who go in for working nitrate have to be prepared to live a certain kind of life. Both employers and employed reside in complete isolation, and, naturally, there is little in common between the two classes. Whereas the owners and managers of the oficinas are almost entirely foreigners, the great majority of the workmen are Chilians. The latter, knowing nothing of the civilizing influence of large centres of population, are difficult to get on with, and several murders and riots among themselves have taken place in this desolate region, far away from police or legal authorities. But, considering everything, the relations existing between the workmen and their masters are not unsatisfactory.

The Chilian nitrate worker on the pampa receives higher wages than the average labourer, but his dreary work demands that. He is also moderately well housed, he does not pay any rent, buys his provisions at almost cost price, has no taxes to pay, and has medical advice and medicine for his wife and family at a nominal charge of 4d. a week per working man. He is not expected to grumble, but he will tell you that he would require neither medical advice nor medicine if he had nothing to do with nitrates.

Work is steady all the year round, and labour is perhaps neither more severe nor more excessive than that of many other industries in other parts of Chile. The wretchedly desolate life which the men live accounts for the feeling of unrest and disquiet which prevails. Last year this was noticed to such an extent that a general riot was expected, but did not ensue. Here, as elsewhere, professional agitators are doing their best to stir up the men, and I suppose it is only a question of time before they will succeed in their object. In the meantime the formation of new nitrate companies goes on apace. Only a few months ago no fewer than seven new companies were formed and subscribed in one single day in Valparaiso. Just at present the nitrate industry is passing through a critical period on account of the agitation among the workmen to which I have referred; but matters will doubtless adjust themselves as soon as the Chilian Government has the time and the inclination to devote to the consideration of the industry's demands.

The world is using fully 35,000 tons more of nitrate to-day than it did twelve months ago, and the visible supply shows an increase of 79,000 tons. There is not any danger of the nitrate market becoming glutted, so that prices are likely to be main-



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The picture shows the famous Umbrella Plant (*Helichos i Paugues*), the figures being those of a German explorer and his companions

tained. The producers, of course, owe much of this success to the 'Combine,' which was for four years, and which expires in March, 1906. In all probability the 'pact' will be renewed, as all the English Companies, without exception, are in favour of it. The Chilian Government also approves. The President (Don Riesco) has visited the nitrate-fields, and knows now all the *pros* and *cons* of the matter. The Chilian Government scooped in £4,000,000 last year, and naturally it is desirous of maintaining so excellent a source of revenue. It seems rather an anomaly that at the commencement of every season (about July) the producers of nitrate are notified as to how much the total supply is to amount, and how much of that supply they are permitted to contribute. Naturally, a good many of the Companies could produce much more than they are allowed to do, while, on the other hand, there are a certain few who find they cannot produce the full quota assigned to them by the 'Combine.' The annual quantity varies between 33,000,000 and 36,000,000 quintals. Of late years the United States of America has become a big purchaser, the increase in the amount of the annual takings amounting to 20 per cent. In Egypt, also, the consumption is increasing, while probably Cape Colony, Natal, and the Transvaal will all be wanting nitrate soon, while India is also making experiments. Altogether, the nitrate industry is flourishing, and will probably continue to flourish for many years to come, especially if the price can be kept up by combination, as it no doubt will be.

CHAPTER X

The finances of Chile—Public credit—The public debt, external and internal—Some unsound criticisms—Conversion scheme—Authoritative statement by Minister of Finance—Department of Finance—The President of Chile—Insurance companies—New law regulating business in Chile—Government intervention—Two notorious companies suppressed—Agriculture as conducted in Chile—Cattle-raising and bee-culture

CHILE, by reason of its rank as one of the South American States, has had to share to some extent the general disfavour in which the majority of those States stand in the minds of the financial world, and for which they have themselves to blame.

As a matter of fact, however, Chilian finance, on the whole, should stand high in the popular esteem, inasmuch as the record of its public credit is by no means a bad one. The Republic may take to itself the credit of having avoided difficulties of any serious nature with its creditors; and it should be remembered in its favour that for the past fifty-four years funds, which have been set aside from the national rents with the object of paying the interest on and reducing the nation's debt, have invariably been placed in the hands of the banks or agents in Europe one, two, or even three months in advance of the specified time. Once only, during the war between Chile and Peru and Bolivia—viz., from 1879 to 1883—did Chile suspend the service of amortization of her debts, and this was the subject of a special agreement with her creditors. Even during this period the interests were religiously paid. I am afraid that this record cannot be claimed by many other South American Republics.

The public debt of Chile to-day stands at about £18,000,000, and the home debt may be put at another £5,800,000—or, say, about £24,000,000, working out at a little over £7 2s. 5d. for each inhabitant. The national assets comprise bonds, railways, telegraphs, lands, nitrate deposits, and many other national properties not inventoried. Deducting from these assets the amount of the debt and other State obligations, there would still remain in favour of the National Treasury a balance of

nearly £3,000,000. I maintain that, for a country with little over 3,500,000 people, this is not a bad record.

According to some critics who do not understand Chilean finance, never having been in the country and receiving their information from unreliable sources, Chile does not present a favourable field for investments. As an instance of this, I may call attention to the statement in one of the leading English financial newspapers, early in this year, which declared Chile to be 'perilously near default,' basing its judgment upon the one fact that the Budget estimates showed 'an enormous deficit.' Had the circumstances been really understood as they existed, it would have been appreciated that Chile had but very recently paid off Treasury bills in London to the extent of £1,500,000 to Messrs. Rothschild and Sons, as well as a further £500,000 to the Bank of Tarapacá, in addition to a similar sum (£500,000) paid some little time previously. It should also have been recognised that, notwithstanding the payment of £3,400,000 during 1904 (including service of its loans in London up to January 1, 1905), the Government of Chile had a deposit in London of about £1,000,000. The so-called 'deficit' was more apparent than real, because many items included in the Budget for Public Works and other expenses were subject to the discretion of the Government, who would only carry them out as long as it could be done *without* creating a deficit.

It would be as well, perhaps, if such critics of South American finance were to be sure of their facts before writing upon them. It is apparently only necessary to stigmatize as dishonest and unsound all the finances of the South American Republics indiscriminately to obtain credence.

During my stay in Chile I had every opportunity of investigating the resources of that country, which have as yet been merely guessed at. The real wealth of Chile, mineral and agricultural, will one day dawn as a revelation upon the rest of the world.

Much doubt has existed in England from time to time in regard to the future of Chilean finance, and much dread of the conversion of the paper currency which was said to be likely to come into force on or about the month of January, 1907. Perhaps I am enabled to speak on this subject more accurately than most writers because I had abundant opportunity of discussing it with the then able Minister of Finance, Dr. Ernesto Hübner, now unfortunately resigned. Even the date given of the conversion was incorrect, the actual date being 1910, *not* 1907. According to what the Minister informed me, the paper currency of Chile to-day amounts to \$80,000,000, which includes the \$30,000,000 issued in the month of June, 1904, when it was recommended by eight votes to one by the Financial Com-

mittee of the Chamber of Deputies. In order to provide for this large amount of paper, I inquired what amount of it was covered by gold deposits; and here the Minister was quite frank with me, explaining that at that particular time only \$13,500,000 of gold was in hand, but provision for the whole conversion had been made as follows: Firstly, the \$13,500,000 referred to; secondly, the proceeds of the sale of nitrate grounds in the north, the sale of valuable pasturage land in the Straits of Magellan; and, thirdly, a reserve of \$500,000 monthly, which the Government is hypothecating for the conversion scheme, all of which is being deposited in first-class European banks and in those of the United States of America. In addition to this, the Government devoted the whole of the £1,300,000 which it received from the sale of the battleships *Libertad* and *Constitucion* to Great Britain to the conversion. The Minister also assured me that, so far as he could see, there would be no further paper money issued for another five years at least, and he took an exceedingly hopeful view of the future of the country, both commercially and financially—a view in which I fully participate.

What I do not like about the Chilian Government policy is the large sums of money which are being expended upon public works. Encouraged by the progress of her commerce generally, the Republic has been voting lately far more than she ought to spend upon railways, graving-docks, roads, bridges, canalization of rivers, the supplying of water to cities, etc. It will be recognised that most, if not all, of these undertakings are reproductive, or at least should so prove; but, notwithstanding this, the Republic is attempting to advance too rapidly after so extended a period of commercial and financial depression.

During the Colonial period, Chile was considered amongst the poorest and most costly of the Spanish colonies, and, being unable to defray its own expenses, it was obliged on many occasions to demand from the Viceroyalty of Peru the necessary funds wherewith to maintain the troops which held in check the warlike but never-conquered Araucanians.

The Republic to-day is, in comparison with some of the American States—such as Ecuador, Colombia, Bolivia, and Guatemala—in a very flourishing condition. It naturally took a long time to correct the economical arrears of the Spanish administration; slavery had to be abolished at an enormous cost, and the method of raising the national revenue had to be entirely remodelled. Most historians would agree that, with so much leeway to make up, the Republic has done remarkably well in emerging from a state of constant bankruptcy into its present position of financial ease and soundness.

The political constitution of Chile, which was created in

1833, should be perhaps the best guarantee of its future prosperity. The laws themselves are both sound and sensible, but, unfortunately, in some cases I cannot say that they are applied according to the best or most honest method.

The administration of the public income, however, which is under the control of the Department of Finance, is undoubtedly well regulated. It is divided into two sections: (1) Customs, which are in charge of all that relates to Customs Houses, foreign and internal, to trade, and to the establishment of offices in ports of entry; (2) Rents, which embrace everything in regard to the administration of the public income, such as the Mint, Treasury, Accountant-General's Department, the Exchequer, the Audit Department, and the Public Debt.

It is impossible, of course, to say from day to day what new Ministries, which are always being changed and reformed, may determine upon; but provided the present wise and economic policy of the President (Don Riesco) and his Cabinet is adhered to, I see no reason to fear for the future of Chile. Stern refusal to create any further paper currency is a *sine qua non* for financial stability. In order to advance rapidly and consistently, Chile must insist upon a sound money standard, and in this case she could do no better than follow the example of Venezuela, which is one of the few Latin-American nations which have succeeded in maintaining the gold standard. That country throughout is monometallist (absolutely nothing but gold), and is opposed to all paper money.

President Jerman Riesco is now in his fifty-fourth year, but looks less than his age. He is very tall and commanding in appearance, rather fair for a Chilian, and a man of extreme courtliness and culture. Before entering politics, which he did first in 1899, Señor Riesco had devoted himself to the law, of which he has always been one of the most distinguished members. Extremely fortunate in all his undertakings, he became a Senator almost at once, and in 1899 he took his seat at National Congress. Señor Riesco was at this time a Judge of the Supreme Court, and on the Bench he charmed everyone by his suavity, his shrewd judgments, and absolute impartiality. Señor Riesco is married to his first cousin, Donna Maria Errazuriz, a daughter of a former President, Don Federico Errazuriz (from 1871 to 1876), and a lady of great charm and many graces. His Excellency, like his lady, belongs to one of the first families of Chile, than whom, as I have previously mentioned, it is impossible to find more agreeable, refined, or hospitable people. His Excellency is the selection of the Liberal Party, but he is equally honoured by all sides.

For many years insurance companies of good position in Chile have suffered somewhat by reason of their being

classed in association with undertakings which, bearing the name of 'Insurance' Companies, were little better than gambling institutions, and very discreditable ones at that. The same necessity for differentiating between 'banks' and 'banks' in our own country (that is to say, for drawing a hard-and-fast line between those respectable and responsible institutions which do a sound financial business and the numerous money-lending offices which call themselves 'banks,' but which do no genuine banking business, and merely bring both discredit and ill fame upon banking as an institution) exists in Chile with regard to the insurance companies.

Thanks to recent legislation, however, this discredit is being removed. It is another instance of 'good arising out of evil.' The necessity for the introduction of a new law was the outrageous gambling of two institutions known as 'La Mutuel' and 'Ahorro Mutuo,' which, although created by Government license, were suppressed by Government order early in the present year. Through their misdeeds, which involved hundreds of innocent people in irretrievable ruin, the whole of the insurance laws were altered, and the better-class companies have not objected to the innovation. All companies, native and foreign alike, doing business in Chile are affected, and the new Law, which is known as 'No. 1,712,' came into force on May 19, 1905.

This law affects the transactions of all insurance companies, both existing and prospective. Permission has first to be obtained from the President of the Republic either to establish or to continue a business already established, or to open any agency. Even if permission is granted, it can be revoked at any time. The company or agency must be formed under the Chilian legislation laws, and it must invest certain sums in real estate free of mortgage or Chilian securities, or deposit with the Government Treasury such amounts as may correspond in proportion to the company's capital and also with the character of the transactions it usually carries out. All insurances are divided into separate classes, such as 'fire insurance,' which has two classes, first and second; 'life insurance,' also with two classes, first and second; 'native insurance,' and agencies of foreign companies; and agricultural and marine insurance. All first-class offices are assumed to be those possessing a capital of not less than \$500,000; those which have a smaller paid-up capital rank as second class. Companies insuring against fire and other risks which are classed as 'first' must deposit \$300,000; those reckoned as 'second' deposit \$200,000. Those companies doing marine and exclusive agricultural business must deposit \$50,000.

In regard to life insurance companies, which are divided

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("Robinson Crusoe's" Island) showing the old Spanish Fort (Antiguo Fuerte Español), and a Chilean warship in the Bay



into 'first' and 'second' class, the first-named must deposit \$400,000 and the second \$300,000. All companies have to pay taxes to the Government for the privilege of carrying on business, exclusive of the amounts they have to deposit as guarantees of good faith and ability to pay up the policies; they must also publish their balance-sheets every six months, and advertise their balance-sheets once every year in the local newspapers. One distinct advantage accruing from this new law will be the utter impossibility for any mushroom or unstable concern to carry on any insurance business in Chile. In this respect, therefore, the respectable and responsible companies should derive an advantage. On the other hand, certain withdrawals have been made from insurance business by some of the leading British companies, or at least that portion of their business relating to 'life,' as this section has been the most heavily affected both by the compulsory deposit and the amount of the new annual taxation.

One of the greatest national assets of Chile is its future agricultural possibilities. While one-half of the country is dreary, sandy desert, and one-quarter situated in a rainy, inhospitable region, one-fourth remains richly endowed by Nature with a soil and a climate which would, were agricultural pursuits properly understood by the people, provide comfortable fortunes for all who dwell therein.

Nearly every imaginable climate exists in Chile, owing, no doubt, to the curious topographical conditions. In the north one has the dry, hot climate, with no rain—or at least but very little. The central district is temperate, and the seasons are well defined. The south is damp and misty, rain falling for nine months out of the year.

Anything can be grown in the central part of Chile, such as wheat, barley, corn, and beans, potatoes, lentils, vines, and numerous kinds of fruits. There are over 1,505,000 hectares (= to about 3,750,000 acres) now in cultivation, in addition to 600,000 hectares of land prepared for wheat from one year to the next, and 500,000 hectares of meadow-land. There remain about 8,000,000 acres as yet untilled, but perfectly tillable. Before Chile can become a successful agricultural country, however, there must be provided better, cheaper, and more numerous railways, better roads, more population, and more capital to be put into the country. The wealth is there, but it wants all these helps to get it out.

The Government is spending a good deal of the public money upon teaching people to become agriculturists. But until the above-named facilities are provided it is wasting its time and spending its money fruitlessly. Theoretic tuition is all very well for people who have the money ready to apply it:

the Chilians have not. Of the many hundreds of pupils turned out annually by the Quinta Normal de Agricultura, how many, I wonder, ever apply their knowledge practically? Probably not 2 per cent. At Santiago, Chillan, Concepcion and Ancul, excellent agricultural schools are maintained; but Chile remains agriculturally ignorant. No doubt the object of these schools is to turn out expert workmen; but that object remains unattained.

There are numerous regions where irrigation is absolutely necessary, and where none is found. If watered artificially the soil would be found extremely productive, as has been proved to be the case where irrigation has been tried. In the central districts there are many rivers, and here agriculture can be seen in its most attractive and successful form.

Cattle-breeding is very actively followed, and generally it is found exceedingly profitable. Unfortunately, prices have been lower of late, but with the gradually increasing number of meat-preserving companies in the Argentine, the demand for Chilian cattle must increase. I have seen good animals knocked down at auctions at from \$50 to \$60 (Chilian currency)—say, £3 7s. to £3 13s. 6d. This was for a one-year-old Durham cross-bred calf. For a two-year-old the price was \$65, while a three-year-old, weighing 350 kilogrammes (a kilogramme = 2·2046 lb.) the price was \$75. Even at these low figures there is a net profit to the breeder of 50 per cent. Cattle-raising is protected by duties levied on cattle imported from the Argentine, the duty amounting to as much as \$16 per head, except for those under one year, on which there is no duty. Chile imported about 140,000 head annually formerly, but 100,000 or less would about represent the figure to-day.

I know no country where bee-keeping could be more profitably carried on than Chile. It is pursued to some extent, it is true, but nothing to what could be done if only the people were a little less apathetic. For nine months out of the year a great part of Chile (at least, the whole of the central portion and most of the south) is a land of flowers. Bees can live out of doors the whole year round, and artificial food need not be resorted to at all. The farmers, however, neglect a source of revenue at their very doors, while those who do go in for bee-keeping adopt all the old-fashioned methods, adhering to the antiquated form of hives, either horizontal or vertical, and the majority of them have never heard of movable bee-hives. In Chile the bees of one hive often produce from 35 to 40 kilogrammes of honey (say, 95 to 105 lb.) per annum. But the hives are left out in the open air in all weathers and at all seasons of the year, without any kind of protection or attention. I am told that the annual export of honey from Chile to-day is about 1,300 metric tons. It might easily be 5,000 tons.

CHAPTER XI

The Five Republics in respect to peace—The armies and navies of Chile, Argentina, Brazil, Uruguay, and Venezuela—Comparative statement of forces—Necessity for armies—Chile and the British Navy—Chile and the German Army—A mountain statue of the Redeemer—Beautiful idea realized—Juan Fernandez (Robinson Crusoe's Island)—The press of Chile—Distinguished journalists at Valparaiso and Santiago

PROBABLY at no period of the establishment of the South American Republics—Brazil, Argentine, Chile, Uruguay, and Venezuela—has peace reigned more securely than in this year of grace 1905. This fact in itself means more to the welfare of the country at large, as well as to the convenience of the world in general, than appears on the surface. Europe has become in the past so accustomed to the internecine wars of those turbulent States, and 'Revolution in South America' had become so usual a headline in the newspapers, that the average man in the street regarded the announcement with an absolute indifference, unless, indeed, he happened to have relatives or some property in that region. Such has been the experience of the last eighty or ninety years at least. But to-day things are different. The various Republics are learning their lesson, and I am convinced that revolutions—I do not speak of revolts and riots, which are prone to occur in even the most firmly-established and respectable of countries—are becoming things of the past. Perhaps I ought to except the Republic of Uruguay, of which I do not feel perfectly sure; but even here matters are improving somewhat. Formerly the Republics were called upon to spend half of their revenues upon maintaining expensive navies and armies to protect themselves from their neighbours. To-day, thanks to arbitration and the blessed influence of better education, both navies and armies are being, or have been, dispersed, and veritably the sword has been turned into the ploughshare. It is not surprising that up till now the expenditure of the Republics on the two service branches should have seriously crippled them. Witness Chile before and since the trouble with Argentina—practically bankrupt then and financially sound now. In all probability it will not again become

necessary for any one of the five Republics to construct or to buy a Navy, in spite of the somewhat unexpected utterances of Dr. Quintana, President of Argentina, at the last opening of Congress in May, 1905. As to the armies, these are necessary to defend the integrity, independence, and liberty of the nation—to a moderate extent, *bien entendu*. The constitution and the law have to be maintained, and it is only the Army which can do it. The Federal authorities have to be supported, and personal property has to be protected. Again, it is only the Army that can do it. The State that possessed no Army would soon cease to be a State at all. 'And he said to Abimelech, Increase thine army and come out.'

In point of comparative expenditure on their respective services, the proportion of Argentina is the least extravagant. The difference between what is expended upon education and justice on the one hand and the Army and Navy on the other has hitherto been enormously adverse to the former; but things, as I have said, are mending in this respect. Argentina and Chile have the best-organized Armies, while Brazil and Venezuela possess the most irregular and disorderly. I have seldom seen men more unfavourable in appearance than the troops of these two countries, who for the most part are just what they look. The men are almost all cross-breeds, with more than the average of nigger blood in their veins. They are good fighters, but little amenable to discipline, very easily moved to revolt, and extremely brutal in their manner to the public.

The following comparative statement showing approximately what the Regular Armies of the 'Five Republics' have been up till now may be of interest:

Name of Republic.	Infantry.	Cavalry.	Artillery.	Engineers.	Gendarmes.	Total.
	Battalion.	Regiment.	Regiment.	Battalion.	Men.	Men.
Brazil ...	40	14	10	2	20,000	28,200
Argentina	18	12	8	4	—	21,000
Chile ...	10	8	8	5	—	17,500
Uruguay	4	5	2	—	3,200	3,500
Venezuela	3	5	3	—	—	5,100

Up till now Chile has expended more than any of the other Republics in her armaments. This was owing to the long and trying wars with Bolivia and Peru, in which, however, she came off eventually victorious, and more still to the vast preparations, extending over a number of years, for an expected life-and-death struggle with Argentina. Had this come to an issue, undoubtedly it would have spelled commercial and financial ruin to both

countries; but fortunately Arbitration decided the knotty differences, and by the award of our own good King, Edward VII., the peace was not only maintained, but has probably been established for all time.

The actual proportion of each Republic's expenditure to revenue is shown as follows :

Republic.	Proportion to Revenue.	Proportion per Inhabitant.	
	Per Cent.	s.	d.
Brazil	16	5	2
Argentina	19	10	1
Chile... ..	25	7	4
Uruguay	10	7	4
Venezuela*	12	8	7

The Government of Chile are always ready to learn from other nations, and there is no 'stuck-up pride' about them. In conversation with the President of the Republic, Don Jerman Riesco, on the subject of European armaments, his Excellency said: 'I think very highly of your Navy, and so do my Ministers. Indeed, as you may be aware, we have had our best warships built in British yards, and our Naval Cadets are expected to know English, and spend at least one year of their study time in Great Britain. We are willing to learn all we can from Great Britain in connection with naval matters, for we recognise that here Great Britain stands pre-eminent.' It would seem that the Chilian Government are just as highly impressed with the German Army and its methods; for a few months ago a special Chilian mission came over to Germany to study the Fatherland's military organization, equipment, and uniform, it being the intention of the Government of the Republic to model the Chilian Army on their pattern. The Teutons were perfectly agreeable to teach their pupils all they wanted to learn, more especially as they also hoped to sell them many Krupp guns, make their uniforms, and otherwise equip them. The German nation gives nothing for nothing, and—little for a halfpenny.

No country of its size and population is better represented in the Fourth Estate than Chile. Nearly every town has a representative sheet; but only in the larger and more important centres, such as Santiago, Valparaiso, Concepcion, etc., is there anything like a good service of telegrams. There

* For the above statistics of the Republics of Argentina, Brazil, Uruguay and Chile, I am indebted to Mr. Francisco Leeber.

is one great newspaper, *El Mercurio*, which is published simultaneously in Santiago and Valparaiso, known far beyond the region of Chile itself, and even other Spanish-speaking countries. *El Mercurio* occupies in South America the same distinguished position, respect, and following as the *Times* holds in Great Britain. A remarkable feature of this paper is that it is owned and conducted entirely by young men, and Sir Alfred Harmsworth's prediction that latter-day journalism would be mainly in the hands of the younger generation receives full confirmation so far as *El Mercurio* is concerned.

The oldest member of the staff is only thirty-two—namely, the editor, Mr. Carlos Silva, a gentleman of the greatest culture and ability, a sound and polished writer, and one of the very best informed men I have met in any part of the world. Mr. Silva speaks and writes English as well as any Englishman born and bred in the Old Country, although he has never been to England in his life. He is as well acquainted with our politics, together with those of Europe generally, as the most ardent and assiduous politician at home. A conversation with the distinguished editor of *El Mercurio* leaves one astounded at the amount of information and the extent of the knowledge gained of the world and the world's affairs by so young a life.

The Proprietor of the paper, Mr. Agostino Edwards, is also quite a young man—namely, twenty-seven; but, like most South Americans, he cut his wisdom-teeth at an early age, and he has not failed to fully profit by his extensive European travels. As the name would suggest, Mr. Edwards is of British descent, his grandfather, who established *El Mercurio* in Valparaiso in the year 1827, having come originally from England and settled in Chile. He made a great fortune out of the paper; but this property has been consistently improved and strengthened since his day, so that it now stands as one of the most powerful and most profitable newspaper enterprises in the world.

Nothing that ingenuity or enterprise can suggest is overlooked; and during his last trip to the United States Mr. Edwards purchased a complete and very costly colour-printing plant, by means of which his great daily, and a beautifully-reproduced illustrated weekly paper, bearing the name of *Zigzag*, are turned out in the most approved style. Altogether, Mr. Edwards—who may be looked upon as the 'Harmsworth' of South America—produces five publications: morning and evening papers in Valparaiso (*El Mercurio* and *La Tarde*), a morning and evening in Santiago (*El Mercurio* and *Las Ultimas Noticias*), and *Zigzag*, the weekly illustrated journal (started February 18, 1905).

The buildings owned by *El Mercurio*, both in Valparaiso and



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ISLAND OF JUAN FERNANDEZ

**"Robinson Crusoe's" Island, showing Crusoe's "Look-out,"
frequently referred to in Daniel Defoe's famous romance**



Santiago, are veritable palaces, and form models of what such buildings should—or at least might—be. The public are considerably catered for in the shape of large reading and recreation rooms (the latter containing many luxurious lounges and a grand piano), search-rooms, a marble *patio*, or open court, filled with plants, flowers, and handsome leather chairs, and a large, well-stocked library.

Such enterprise as this deserves to meet with substantial reward, and it has certainly accrued to Mr. Edwards. The papers which he owns have more than the usual amount of influence with the public of Chile, since they are one and all absolutely independent, support no particular fad or faction, and are scrupulously fair to friend and foe alike. I am afraid this virtue is but seldom found to exist among the Press of our own or any other country.

The Valparaiso editor of *El Mercurio* is Mr. Carlos Vicuña—or, as he is known, to distinguish him from several other members of the family bearing the same Christian and surname—Carlos Vicuña-Makenna.

It is the custom in Chile for men bearing the same names to adopt, in addition, either the full maiden name of their mother or her initial. Thus, Mr. Vicuña's mother having been a Miss Makenna, he is known as 'Vicuña-Makenna'; while, as another instance of this custom, I may cite that of a young man named Eduardo Estavez, and who, to distinguish him from others similarly named, is known as 'Eduardo Estavez G.,' the latter initial being that of his mother when unmarried.

Mr. Carlos Vicuña is another of that band of brilliant young men who compose the editorial and managerial staffs of *El Mercurio*. Like his equally-gifted and capable *confrère* at Santiago, Mr. Carlos Silva, Mr. Vicuña speaks English perfectly and with little or no accent. He is the distinguished son of a distinguished father, who died very young (about fifteen years ago), and to whose memory the grateful Santiago people have erected a tasteful monument in the Avenida. The young editor possesses an intimate knowledge of Europe and of European matters, some of the most brilliant articles upon foreign affairs which appear in *El Mercurio* being from his pen. But Mr. Vicuña is not alone a journalist. He is also a barrister, and his career at the Bar promises to be a very distinguished one. Mr. Vicuña is the sort of man who would probably make a mark in any country and in any career, being as agreeable in appearance as he is charming in manner. Probably no modern newspaper is more fortunate than *El Mercurio* in the possession of two such very capable and enterprising editors as Mr. Carlos Silva and Mr. Carlos Vicuña-Makenna.

A very successful and esteemed daily newspaper is *El Sur* ('The South'), published in Concepcion. A full and accurate service of cablegrams from all parts of the world is a special feature of this paper, which is excellently printed and occasionally handsomely illustrated.

Valparaiso boasts of at least one representative English organ, the *Chilian Times*, which prints all the news relating to British interests, and a good many serviceable and critical articles on Chilian politics. As an independent and fearless critic it stands very high in the public regard, has a good circulation among British and Chilian residents alike, and at home is accepted as the recognised organ of British interests in Chile. Mr. A. T. Wallace, sub-editor of the *Chilian Times*, is well known in Valparaiso, and is held in great esteem by the British and native community.

Probably one of the most beautiful ideas, beautifully carried out, and quite unique in its character, is the colossal statue of Christ at Puente-del-Inca, about 20 kilometres from the frontier between Argentina and Chile. The scheme to celebrate the establishment of Peace between the two Republics originated with the venerable and charming Argentine Bishop of Cuyo, M. Marcolino del Carmalo Benevente, with whom I enjoyed the very great pleasure of travelling for a brief period in Chile. An Argentine authoress, Señora Carolina Holman Hindobro, thus poetically describes this exquisite conception :

'But what of the statue of Christ, cast many months before in the arsenal of Buenos Aires, from the metal of bronze cannon from a fort on the outskirts of the city? The Christ of the Andes stood in the yard of the College of Lacordaire, where it had been for months, the work of the Argentine sculptor, Alonso. At the base of this statue, 26 feet high, and resting on a granite pedestal symbolizing the world, Señora Angela de Oliveira César de Costa, of the Association of Christian Mothers of Argentina, in a voice trembling with emotion, asked that the Christ should be placed on the highest accessible pinnacle of the Andes. In February, 1904, preparations for the placing of the statue were begun under the supervision of the artist, Señor Alonso. In the first days of March began the journey of the Christ 654 miles by rail to Mendoza, and from there in gun-carriages, escorted by soldiers and sailors of the two Republics, the statue at last reached the high plateau, and was raised upon a granite column 20 feet high.

'The inaugural ceremonies on March 13 were most impressive. Over 3,000 persons gathered in that wild region, amidst the roar of cannon and the music of bands, and, breaking the silence, which became almost appalling when the last

sounds died away in the distance of those snow-covered mountains, came the words of Monseñor Jara, Bishop of Ancud: "Not only to Argentina and Chile do we dedicate this monument, but to the world, that from this it may learn its lesson of universal peace."

'We read on the pedestal of the statue: "Sooner shall these mountains crumble to dust than Argentines and Chilians break the peace which at the feet of Christ the Redeemer they have sworn to maintain."'

Of all the beautiful and impressive things that I have seen in the world, this remarkable statue of Christ is the most enduring in my mind. Coming upon it almost with startling suddenness as the mule-drawn coach approaches the very summit of the towering Andes, the effect is solemn and forcible in the extreme. One remembers almost involuntarily the touching prayer offered up at the inauguration of the monument by the Archbishop of Argentina, Monsignor Espinosa:

'Lord, when my voice is silenced, when mine eyes cannot behold Thee, and my heart, already changed into dust, disappears with the remembrance of my existence, Thine image, represented in eternal bronze, shall be a perpetual offering on the highest pinnacle of Argentina. When the white snows shall close the pass to men, permit that my spirit may keep vigil at the foot of this monument. Protect, Lord, our country. Ever give unto us faith and hope. Let our first inheritance be the peace which shall bear fruit, and let its fine example be its greatest glory, so that the souls of those who have known Thee shall be able to bring forth from Thee all forms of blessing for the two Americas. Amen.'

It is doubtful whether any story, true or imaginary, ever secured such a firm and immovable hold of the popular mind as that of 'Robinson Crusoe.' And yet, how many of those countless millions of schoolboys and grown-up men and women who have read, and perhaps wept over, the adventures of Crusoe and his man Friday have any idea even that such an island as Robinson's actually exists, or where it lies? The island is real enough, only it is called 'Juan Fernandez,' and it lies about 150 miles from the coast of Chile, to which Republic it belongs. Once only in twelve months do boats visit it from Chile, and then only small steamers proceed thither. It is just as beautiful as Alexander Selkirk described it; it is just as romantic as his most ardent admirers can picture it. I am fortunate in being able to produce some few photographs of this fascinating little island, especially dear to Britishers since Selkirk, a Scotchman by birth, has made it world-famous. One day I hope to write a new and true history of Alexander Selkirk's solitary but beautiful island home for over four long years,

during which time he never saw a white face. There is much to be told which has never yet been recorded, both regarding the island and the intrepid wanderer himself. Unfortunately, I have neither the space nor can I consider this book the best place for a more lengthy reference to the island of Juan Fernandez. The photos, taken quite recently, and published now for the first time, tell a tale of their own; and with this I fear that my readers must for the time being feel content. I can well understand poor Selkirk's pathetic lament: 'Oh, my beloved island! I wish I had never left thee.' The photos are by Señor Spencer, of Valparaiso and Santiago.

PART IV

URUGUAY

CHAPTER I

The Uruguay Republic—Former connection with the Argentine—Wars and rebellions—Invasion by Brazilians—The ‘Great War’—General Flores—‘Reds’ and ‘Whites’—The President, Señor Batlle y Ordóñez—Career and policy—A threatened danger to foreigners—Claims by British Companies—The British Minister, Mr. Walter Baring—The Government’s defence—A native claim—Horrors of civil war—President Batlle’s grim humour—National elections and public voting

A VERY few hours’ journey by water alone separate Argentina from Uruguay, and but for the fact that the monetary standard is somewhat different and the appearance of the surrounding landscape rather more varied, it would be difficult to appreciate the fact that one had stepped out of one Republic into another. The Argentinos and the Uruguayans are practically one and the same people, and are far more cognate in appearance, manners, and speech than are Englishmen, Scotchmen, and Irishmen—forming the one big family of Britons.

Although the smallest of all the independent States of South America, Uruguay is the most troubled and troublesome. Nevertheless, it is the most favoured in point of climate, soil, and geographical position. Nature has been most bountifully kind to this country, and but for its continual internal wars and dissensions it could rank with the Argentine as the most prosperous Republic in South America.

Whereas the greater part of the Argentine is flat pampas, Uruguay is blessed with an abundance of wood and water, both of immense advantage to a pastoral and agricultural country. It has also chains of picturesque hills, reaching right away down from Brazil, and terminating at Monte Video; while it has a coast-line of 625 miles, of which 200 are on the Atlantic and 155 on the superb River Plate, while the balance of 270 are on the almost equally fine Uruguay River. Surely no

country enjoys greater facilities for coast and sea-going commerce, while its climate is rendered endurable even in the heat of summer by refreshing sea-breezes blowing from the Atlantic.

Once upon a time Argentina and Uruguay were one country. Monte Video was built by a Buenos Aires Governor, and so friendly were the relations between the people that all the cattle and sheep belonging to the settlers round about Monte Video were given to them by the Buenos Aires Government, and became the progenitors of the millions of sheep and cattle which are now to be found in Uruguay. But the history of nearly all South American States repeated itself in the case of this Republic. Quarrels led to battles, and battles resulted in the two people separating from one another and never again reuniting. It was the history of Colombia and Panama anticipated, but with the battles added.

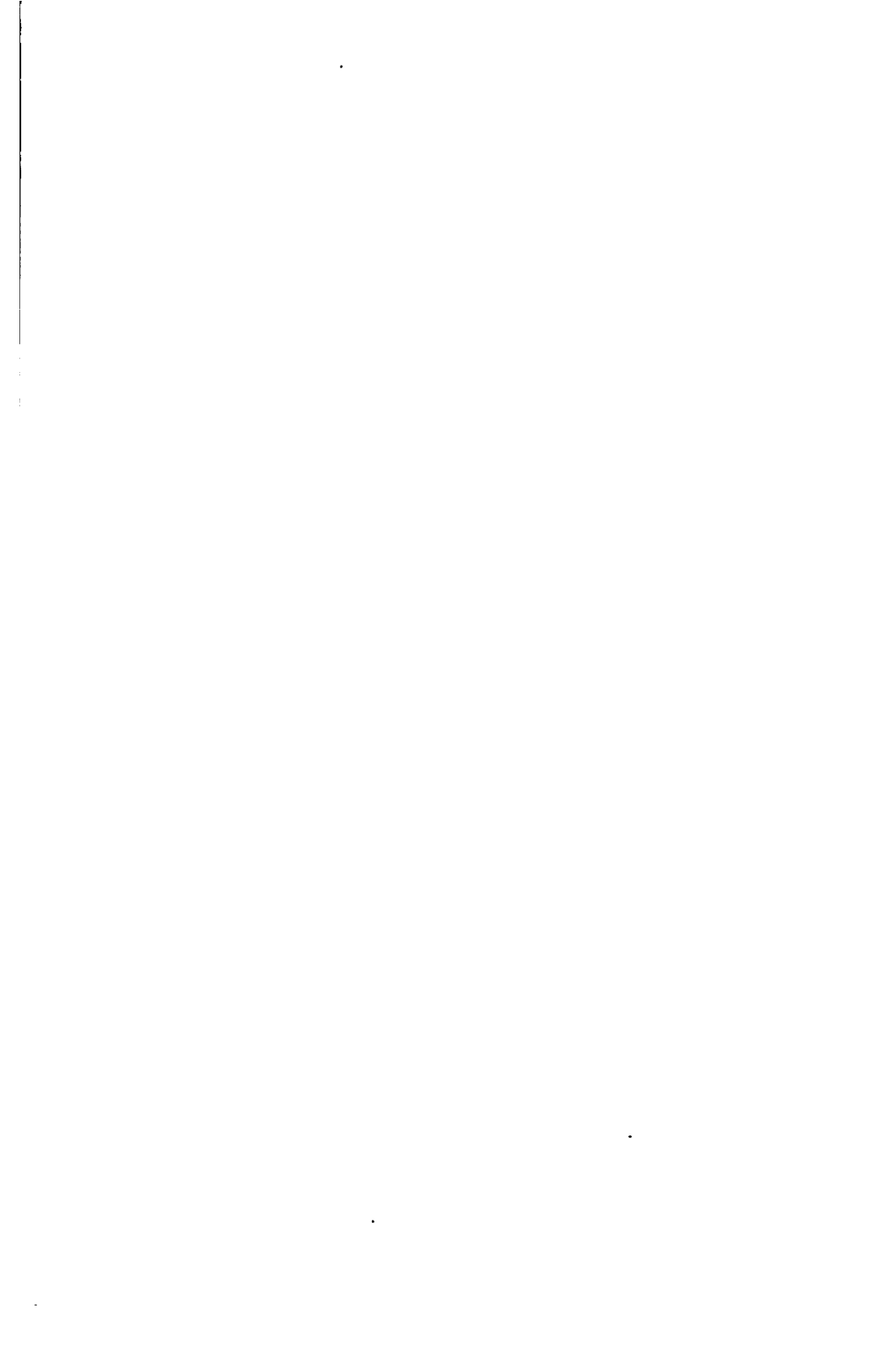
The War of Independence (A.D. 1814) released all this part of South America from the Spanish yoke, thanks to the efforts of Admiral Brown, who destroyed the Spanish fleet; and to General Alvear, who took Monte Video by land. One year afterwards, however—the same year which saw the Battle of Waterloo—Uruguay broke away from the Argentine Federation under José Artigas and became a separate Republic. But this was not the end of its troubles. In 1821 the country was annexed to Brazil from the Provincia Cis-Platina, but naturally the new order of things did not prosper. Four years afterwards—viz., 1825—thirty-three patriots, the famous 'Trente-Tres,' after whom a whole Province and numerous towns and streets have been named, under the leadership of one Lavelleza, set out from Buenos Aires to raise the standard of revolt, and in the following two years the Argentinos, again under General Alvear, having forgotten the old dispute with their neighbours, helped them to shake off the hated Brazilian yoke, and the Republic of Uruguay, thus aided, emerged triumphant. In 1830 it elected its own President, General Rivera, and passed its first Constitutional Act. But peace did not endure for very long. A civil war broke out between General Rivera and General Oribe in 1839, in which a third General, one Rosas, took an active part. This was known as the 'Great War' (*guerra grande*), lasting thirteen years, until 1852, and the whole of this magnificent country was reduced to a howling wilderness. Between 1852 and 1864 there were no fewer than eight different Governments, and no end of internal insurrections. General Flores, introduced by the Brazilians, came into office in 1864, and, declaring himself 'Provisional President,' seems to have organized a fairly liberal kind of Government, for under his auspices the country commenced to recover slowly from its painful trials, and even to prosper.



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HIS EXCELLENCY DON JOSÉ BATLLE Y ORDÓÑEZ

President of the Republic of Uruguay



Shortly afterwards, however, General Flores entered into a war with Paraguay, having as his allies both Brazil and the Argentine. In 1866 General Vidal became President, and two years afterwards General Flores was killed in an insurrection at Monte Video. One month after that General Lorenzo Batlle became President, but he was not allowed to remain in peace very long. In 1870 a new civil war broke out, which lasted for several years, when a President, *mirabile dictu*, elected by both sides came into power. Again, however, peace proved only of a transitory nature, for the representatives of the 'Reds' (Colorados), under the leadership of Colonel Latorre, broke out into rebellion, and made Pedro Varela President, but deposed him the following year. Then Colonel Latorre proclaimed himself Dictator. With a rod of iron he ruled until 1880, when, throwing up the Presidency in disgust, and declaring that 'the Uruguayans were wholly ungovernable,' he relinquished the reins of office to Colonel Santos, who had risen from the ranks to become a creature of Colonel Latorre. He made an excellent deputy-tyrant. Numerous attempts to assassinate Colonel Santos finally resulted in his being seriously wounded, so that he was compelled to relinquish the Presidency, his place being taken by General Tajés. Colonel Santos then went to Europe, where he was received with far more honour than he deserved, for his name was reviled in Uruguay, and is remembered to this day as being that of a man absolutely unscrupulous in his methods, and a perfect tyrant to all who opposed him. A proof of the intense hatred with which he was regarded in Uruguay is proved by the fact that no sooner was his back turned and the steamer which bore him from Monte Video had been lost to sight, than a special law was passed banishing him for ever from the Republic; and Colonel Santos never came back.

General Tajés, the so-called 'Captain-General by sea and by land,' did not reign very long, and was succeeded by Dr. Herrera y Obes. In due course he gave way to General Idiarte Borda, during whose Presidency the 'Whites' (Blancos) rose in rebellion, headed by Colonel Sarivia, the result of which was that Borda was assassinated on his return from the Cathedral on the anniversary of National Independence Day. Borda was succeeded by Cuestas, who diplomatically divided the Government into two sections, the Whites and the Reds, and, seeking to be 'all things to all men,' contrived to keep peace for the time being.

His successor, however, the present President, Dr. Batlle y Ordóñez, has entirely reversed the peaceful policy of his predecessor, with the natural effect of having caused fresh rebellions, and under his rule the country has receded considerably.

Señor Cuestas was President for five and a half years, during which time he worked energetically for the good of his country. He died as recently as June of this year. When he accepted the Presidency on the assassination of Idiarte Borda, in August, 1897, the country was on the verge of bankruptcy, and, to use an expression employed by an English journalist living in Monte Video, 'the whole administration was a putrid chaos of disorder and corruption.' At the end of the Cuestas *régime*, however, the nation's finances were in almost complete order; national credit had been restored, and stood higher than it had ever done before, and the National Treasury had even something to its credit. Now that Cuestas is dead his former critics are finding that he was possessed of many merits which they denied him whilst he was living. He is said to have been the only honest President emanating from the Colorado party, and who took a national view of his office. Certainly one of the best acts he ever committed was the dissolution of the Borda Chambers in 1897, an assembly of pirates which had been denounced as both 'dissolute and degraded,' and declared to have been 'an outrage on the Constitution.' The Chambers were replaced by the Council of State, but even to this day Parliamentary representation in Uruguay is a complete farce, and the popular elections are more discredibly conducted than in any of the Republics of South America—and that is going very far indeed.

President Batlle y Ordóñez, who came into office under the auspices of the Reds, is distinctly unpopular even with his own party. He is the principal proprietor of the daily paper published in Monte Video, *El Día*, and he has been an active politician for the last thirty years. When he has not been fighting with the sword or with the rifle, he has been dipping his pen into gall to the detriment of his political rivals. He has been in a political prison on more than one occasion, but he is credited with being a very plucky fighter. His Excellency has visited Europe, but does not speak either French or English. His party, the Colorados, have been in power now for thirty years or more, and comprise in actual strength about 40 per cent. of the voting power, whereas the Nationalists, or Blancos, are estimated at about 35 per cent., the remainder of the people consisting of those who belong to neither party and of foreign residents possessing no voting qualification.

If there is any choice between the Blancos and Colorados in point of education and refinement, it would probably be cast in favour of the former. Only those who have visited the Republic can form any idea of the intense and relentless agitation which is continually going on between both parties, and the serious situation can only be realized by actual study made on the spot.

There is just now a temporary lull, owing to the fact that the latest Revolution, which lasted for over ten months and resulted in complete victory for neither side, exhausted the financial resources of the Revolutionary party. Although the most intelligent, they are the least wealthy part of the community, while the Colorados, having the reins of Government in their hands and the public purse at their disposal, can and do use the whole of the National resources in their efforts to retain office. It is only a question of time, however, before the Revolutionists once more assert themselves, and if President Batlle, as his latest speech to Congress seems to indicate, believes that the struggle is over, he is woefully mistaken.

In conversation with one of the Blanco leaders I was informed that a determined effort to upset President Batlle and his barnacle Government will be made within a very short time, as soon, in fact, as funds now expected arrive from European sympathizers. On the other hand, I learn that the Italian residents in Uruguay, who are somewhat numerous, have been induced by specious promises to join the side of the Government, should any further revolution break out. It would be a very disastrous circumstance were any foreigners in the Republic to be encouraged or allowed to take part in internal strife, since there would no doubt be recriminations upon the part of other foreigners, of whom, after all, Italians only form a portion.

The greatest victims of these continual conflicts are the estancieros, among whom are a large number of British settlers and capitalists, to say nothing of the many Companies, formed with British capital, which are doing business in the country. I give in other chapters some details of the actual financial losses sustained by the Railways belonging to British Companies, for which compensation has been demanded from the Government, by means of representations through the proper diplomatic channels.

Through Mr. Walter Baring, His Majesty's Minister at Monte Video, every diplomatic effort has been made to induce the Government to act honourably towards those British subjects who have been injured, and in some cases ruined, by the acts of the Revolutionary and the Government troops alike; but Mr. Baring has not been supported by the Home Government sufficiently. No one could pretend that our Minister's efforts have been half-hearted. Mr. Baring is not only *persona grata* with the Uruguayan Government, but has proved himself on past occasions a skilful diplomatist and a just and shrewd representative of our country. The Minister is, at the time of writing, in England, having left Monte Video in the month of June, 1905, and I have great hopes that his presence here may

have some effect upon the Foreign Office taking energetic steps to reimburse British subjects in Uruguay.

The Government of the Republic has sheltered itself behind the defence that no law exists by which it can compensate foreigners for any damages sustained; but this statement will not hold. Articles 2 and 3 of the Interdiction Act ordained the provisional embargo of the properties of the rebels to respond to the damages caused by the war, without distinction, thereby recognising the responsibility of the State to repair those damages. Although the interdictions pronounced under the Act were lifted when Peace was proclaimed, the Act itself has never been repealed, so that the responsibility of the Government remains the same. In the face of this unanswerable argument the Government is nevertheless attempting to make distinctions and evade part of its responsibility, depriving the sufferers of their rights, which had been previously recognised, many of such sufferers being British. But it is not only the foreigners who have suffered, or who have made claims against the Government, for quite recently an ex-officer, who had served the Government cause in the war as Commander of the 11th National Guards and military Commandant of Rivera, entered a petition for substantial damages on account of injury to his property caused by the rebel troops. His claim, at least, is not likely to be ignored, and will doubtless be settled in full.

The British Foreign Office has already given notice that it will hold the Government of Uruguay responsible for the wanton damage done to the railway bridges and tracks of the British Companies, but little short of the bombardment of the Monte Video port, which is not in the least degree probable, would induce the present Government to pay damages to the British claimants. Congress, however, may eventually take a different view; but I doubt it. The total number of claims sent in to the Government amount to 8,500, and the value \$6,000,000, or an average of about \$700 each. These, however, are mostly from natives of the Republic and friends of the Government, some being fictitious and decidedly apocryphal, presented, no doubt, in collusion with the Government Officials, but certain of liquidation. There are but few important British claims among them. To pay the amount the Government determined to issue a new loan of \$8,000,000, and has already obtained the amount needed. The war expenses already paid out of the Treasury have amounted to \$3,700,000, of which, however, \$2,000,000 were found from ordinary revenue, the balance being borrowed on Treasury bills.

There are serious writers who have not hesitated to advocate war as a useful and necessary, even a desirable, institution.



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REPUBLIC OF URUGUAY

Group of Revolutionists known as "Blancos"
Prominent in the last Revolution, from January to September 1904

They point out that it is the best cure for surplus wealth and population; that in peace the productive powers of mankind have passed their powers of consumption; that markets are glutted and men are thrown out of employment, in addition to a vast surplus population accruing. War, they contend, corrects all these evils. Even Beilby Porteus defends it, declaring that, whereas 'War its thousands slays, Peace its ten thousands.' But I am inclined to agree with Benjamin Franklin, that 'there never was a good war,' and certainly not among brothers and brothers and sons and fathers, as it is carried on among some South American Republics.

The present generation remembers little of the horrors of the Civil War in the United States of America, and probably reckes still less. But to those who have witnessed the hideous scenes of butchery, the display of that savagery which lowers mankind beneath the level of the brute-beasts, such scenes as are afforded by revolutions are ineffaceable and yet indescribable. For ten months in 1904—from January until October—war of this shocking nature prevailed in Uruguay, and probably the exact number of deaths and the nameless horrors which ensued will never be known. Man's inhumanity to man can never have been exceeded—probably seldom equalled—during this period of internecine strife.

Some of the most atrocious cruelties were perpetrated by one Colonel Ortiz, who at length—and only after popular opinion became too assertive to be further disregarded—has been arrested and ordered to stand his trial. This brutal officer has had many charges brought against him, one being the cold-blooded murder of a man named Lazbal. He is additionally charged, while in command of the Government troops sent to disperse the Pampillon expedition, with having wantonly shot two brothers named Blanco, natives of Corrientes. The young fellows were already prisoners in the hands of this tyrant, when they were, without the slightest provocation, thrown by his orders to the ground and their throats were cut while he looked on. A third prisoner of the name of Ranieréz was awarded the same fate, having first been shot in the legs. My informant mentioned several appalling details which I cannot reproduce, but which, if true, if true, put in the shade any cruelties committed by Torquemada himself. Witnesses of what transpired are numerous—among them, Dr. J. M. Kyle, of Buenos Aires, who asserts that when the Argentine Consul at Conchillas endeavoured to inquire into the circumstances—both the prisoners being natives of Argentina—he was forcibly prevented from speaking to them, and was likewise forbidden even to give them any information regarding their families.

In all probability, Colonel Ortiz, being a personal friend and

political supporter of President Batlle y Ordonez, will be quietly allowed to escape from the country, in the same unblushing manner as the notorious Anarchist Garcia has been invited by the President to come back and live in Monte Video, after having been expelled from the Argentine for publicly preaching murder and sedition. This crooked-minded President actually ordered payment of the steamer passage of the dangerous agitator, a direct and studied insult to the Argentine Republic, which had banished him. This action on the part of the Head of the State is typical of how things are conducted in Uruguay under the present administration of the Colorados.

The amenities of war are but little understood, or, if understood, are but little practised between the various contestants in South American Republics. Under ordinary circumstances such amenities, if even desirable, are purely artificial, and while one may lament the lack of chivalry among these otherwise picturesque ruffians of the Sunny South, it is not difficult to understand its absence. As has been pointed out before, 'rose-water and bloodshed are scarcely compatible one with another'; and General Sheridan, who was one of the cleverest but least scrupulous of military leaders, has declared that 'the main thing in true strategy is simply this: to first deal as hard blows at the enemy's forces as possible, and then cause so much suffering to the inhabitants of a country that they will long for peace, and press their Government to make it. Nothing should be left to the people but eyes to lament the war.'

Unfortunately, it is generally the Governments and the peoples of the South American Republics who are at war with each other, and neither side spares the application of Sheridan's brutal specific. Probably no South American President or General ever heard of the amenities of war practised by that Chesterfieldian warrior Fontenoy, or of the famous Hay of the English Guards. But, on the other hand, the several chivalrous acts of the Japanese towards their Russian enemies must have reached even the palaces of the South American Presidents. In their prosecution of relentless warfare against neighbouring States and among themselves, the South Americans know nothing of, and care less for, the softer side of warfare, which they pursue with all the vigour and cruelty which savagery can dictate. Even the provisions of the Geneva Convention are ignored, and the dictates of common humanity are set at open defiance.

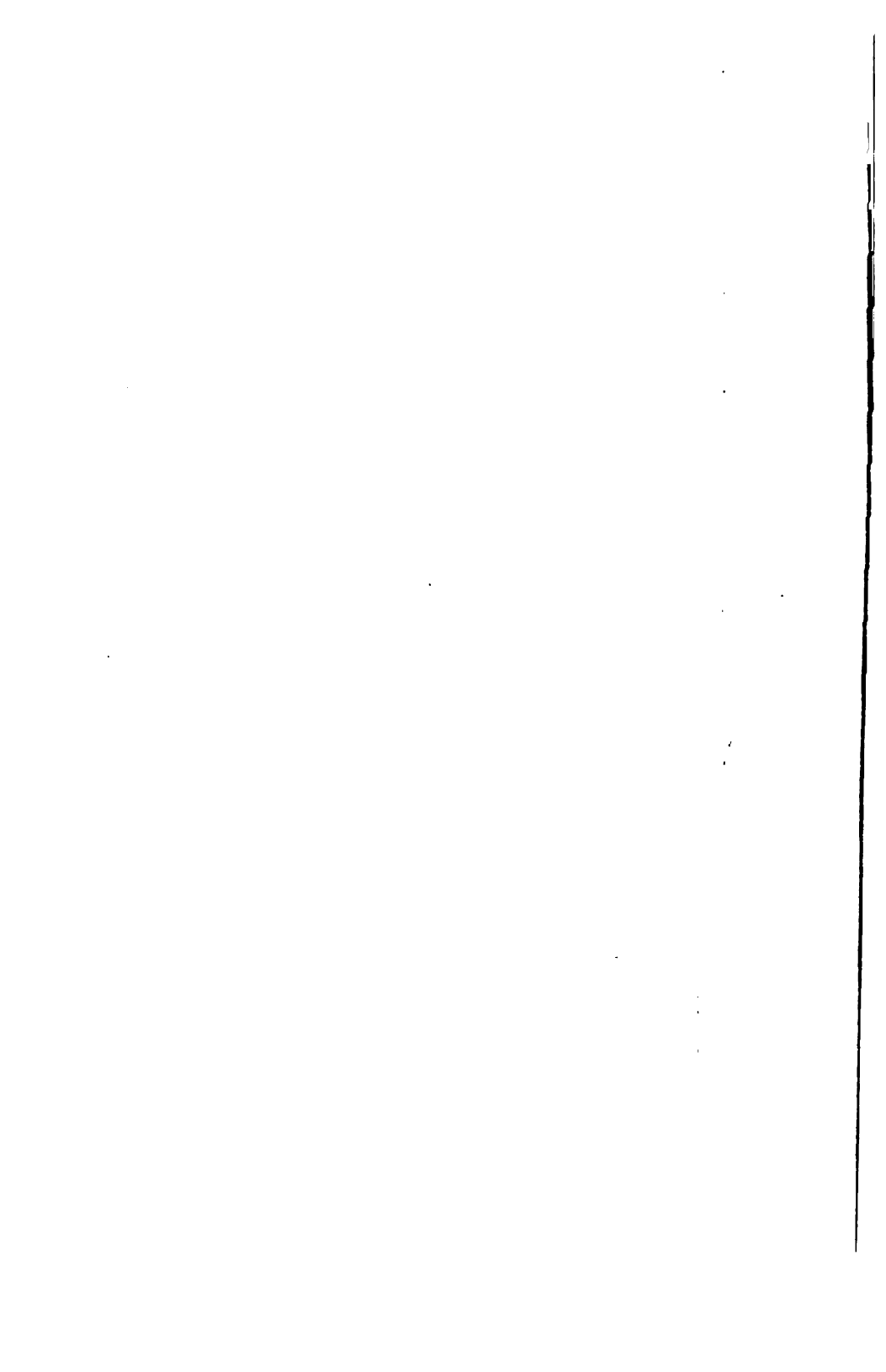
In this connection the attention of the whole world was called to the act of President Batlle y Ordonez's Government during the last revolution in Uruguay by the Red Cross



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REVOLUTION IN URUGUAY

Damage done to British Railway Property by the Revolutionary Troops (Blancos). (1) View of Dynamited Train from the Embankment : (2) Removal of Rails and Sleepers from the Quebracho Bridge : (3) Dynamited Iron Columns supporting the Chingolo Bridge (Midland Railway of Uruguay)



Association, and that Republic has been held up to the severe condemnation of every civilized nation, as it thoroughly deserved. Under the President's orders the use of the Red Cross Insignia was sternly forbidden to the Association legitimately entitled to use it, whereas the Government appropriated it for its own ambulances, and scandalously misused the privilege. The International Red Cross Association of Geneva, in their last Report, described the circumstances in terms of the greatest severity, pointing out that 'since the Association had received international recognition no such outrage on its rules had been committed by any Government,' and 'that the Government of Uruguay's conduct was worthy of the Turks.' So enraged was President Batlle when he read this that he instigated the National Committee of Charity, an association with a high-sounding title but with empty pretensions, to bring an action for libel against the Red Cross Association. Probably the threat will never be carried into execution, but if it is, the unsavoury reputation of the Uruguayan Government will be further blackened. Naturally, the better class of Uruguayans are just as angry with the Government as are their critics in other parts of the world.

On the other hand, far too much leniency is shown towards the responsible leaders of these continual revolutions, the cause of so much suffering and pecuniary loss to the countries which are cursed by their rule. When caught they should be incontinently shot, for no sooner are they released and exiled than they recommence their plotting from their place of banishment. It is for their poor dupes, the actual combatants, that one feels the deepest commiseration.

The Revolution of 1904 was brought to a conclusion by the death of the leader, General Saravia, described as a brave and honourable man. His followers then lost heart, and the principal among them became easily amenable to the bribes of the Colorado Party, the precise amount paid to them for their submission being about £200 each. This is how the matter is described by the President in his message to Congress in February last:

'At last, after nine months of incessant chasings, the insurrection was obliged to lay down its arms without obtaining more concessions than such as might be inspired by sentiments of concord, without wounding the majesty of institutions! In that struggle the Republic reconquered its political and administrative unity, and the repose and self-confidence of which it had been deprived for years. . . . Fortunately, the state of the country showed that it had victoriously survived the enormous ravages of the war. The four prosperous months of peace which have since followed have sufficed to show its superb economical power and the root which its democratic institutions have in the public conscience. The noise of the combat had hardly died away when the ennobling fountains of work, fecund and generous, were reopened; emigrants returned from abroad; credit revived, industry, commerce, enterprise, all the multiple manifestations of wealth and national confidence, as

shown in the great and steady rise of all values. At the same time, the Republic being convoked to general elections for the renewal of the most important of the three Powers of the nation, the citizens hastened to exercise the right and duty of voting, assured that the national will would be respected and obeyed ; and they afterwards attended at the polls to give an example of civic culture to the sister nations of the Continent, and to constitute the most illustrious, brilliant, and auspicious National Assembly which the Republic has yet had. Thus, then, there has been conquered internal peace, true peace, the first and most fundamental of all national boons, assured for many years, and perhaps for ever, in a solid and stable manner, by the concurrence of the moral and material force of the Government and the tendencies of public opinion, already opposed to civil war, always barbarous, sterile, and ignominious when not sustaining the highest ideals, and more opposed now than ever in view of the recent cruel experience ; and we also have assured the truth of the suffrage, practically established in the unanswerable virtue of the elections, the respect for all political rights loyally exercised and guaranteed, and the regular application of the Constitution and the laws, reigning over all and everybody.

To those who know the reason of the present Government's retention of power, the above bombastic high-falutin causes merely a smile of contempt. The reference to the insurrection 'being obliged to lay down its arms'—at the rate of £200 a head—I have already explained. 'The citizens hastening to exercise the right and duty of voting, assured that the National will would be respected and obeyed,' is a touching picture, but, unfortunately, it has to be set in a frame of Government troops thronging around the polls and hustling away at the point of the bayonet any citizen suspected of anti-Government feeling. 'The unanswerable virtue of elections,' as this Presidential humbug calls the compulsory prevention of independent voting, naturally resulted in the Government securing an overwhelming majority—in fact, there was no minority. For thirty years this has been the policy of the Colorados, and for that period they have usurped and retained power. Until a superior force can succeed in ousting them from office, there they will remain.

CHAPTER II

The population of Uruguay—Brazilians and other foreigners—Departments and capitals—British residents—City of Monte Video—Public buildings—Tramway service—General Post-Office—Schools, asylums, and hospitals—Newspapers—Docks—Breakwaters—A disastrous accident to one of them—Heavy loss for the contractors—Locomotion—Cabs—Tramways—Suburbs—Fine residential houses—The Cerro—English club

BUT for the continual upheavals which have taken place in Uruguay since it first became an independent Republic, the population of this country might be ten times what it is, and, in spite of what has transpired in the direction indicated, the population has certainly increased considerably between the years 1860 and 1900, the latter being the last period for which the census returns are available.

In 1860 there were more Brazilians in the country than any other foreign nationality, there being 19,438 out of a total population of 74,849, which is accounted for by the fact that it was in that year General Flores invaded the country with a number of Brazilian emissaries, who increased during the five years which followed, and finally assisted that General to take possession of Monte Video in 1865, when he became Provisional President. By the year 1900, however, the Brazilians had still further increased to 27,889 out of a total population of 198,154, while the Spaniards had increased from 19,064 to 57,865. The increase in the number of Italians was even more remarkable, for while in 1860 they amounted to only 10,209, in 1900 they had increased to 73,288, and now form by far the largest part of the population. The fewest, perhaps, are the Germans, of whom there are only 1,562; the Swiss come next with 2,057, and the British third with 2,106.

Considering how close are the Argentine and Uruguay to one another, being merely separated by the Rio de la Plata, one would expect to find many more of the former nation settled in the Banda Oriental; but, as a matter of fact, the emigration from Uruguay to the Argentine is greater than that from the Argentine to Uruguay. In the space of forty years,

between 1860 and 1900, the Argentinos increased only from 6,362 to 15,244.

The most thickly populated Departments of the Republic are Monte Video, with 268,334 population; Canelones, with 83,143; Colonia, with 48,800, and Salto, with 43,836. The smallest Department of all is Flores, with only 15,585 population. There are altogether nineteen Departments, each with its capital, the names of which I give below :

Department.	Capital.	Department.	Capital.
Artigas.	San Eugenio.	Paysandu.	Paysandu.
Canelones.	Canelones.	Rio Negro.	Fray Bentos.
Cerro Largo.	Melo.	Rivera.	Rivera.
Colonia.	Colonia.	Rocha.	Rocha.
Durazno.	Durazno.	Salto.	Salto.
Flores.	Trinidad.	San José.	San José.
Florida.	Florida.	Soriano.	Mercedes.
Maldonado.	Maldonado.	Tacuarembó.	San Fructuoso.
Minas.	Minas.	Treinta y Tres.	Treinta y Tres.
Monte Video.	Monte Video.		

It is in the Departments of Monte Video and Salto that the British are most numerous. The City of Monte Video, which is the capital of the Department, is considered a very attractive place of residence by those whose destiny it is to reside there.

The situation of Monte Video is undoubtedly good. It stands on a narrow neck of land between the bay and the Atlantic Ocean, and, no matter how hot it may be, there is always a cool sea-breeze blowing through its streets, which are for the most part wide and fairly well paved. With its many natural advantages of situation, one would expect to find a well-constructed port. This, however, does not exist, although, had it been built, say, fifty years ago, Monte Video would practically have commanded the greater portion of the world's commerce, and might easily have become a second Singapore. What Monte Video has lost, however, Buenos Aires has gained, although, in all probability, the latter port will be superseded by yet another and a larger, further down the coast of the Argentine. I refer to that of Samborombon, now being taken in hand.

A serious attempt has been made to build a breakwater at Monte Video, and great progress had been made when a violent hurricane dashed the huge blocks of masonry from their foundations, and the present aspect of the breakwater is that of a switchback railway. Many hundreds of thousands of pounds must have been sacrificed, and the contractors, I understand, have lost an enormous sum of money by the unfortunate occurrence. The bay is an exceedingly bad one, the depth of water diminishing year by year. It is said that the rate of its

diminution is 5 feet in seventy years, and the roadstead outside the Cerro is so much exposed as to render the harbour one of the most dangerous in the world.

Both the embarking and disembarking of passengers from incoming steamers is carried on very frequently under distressing circumstances. In even only moderately bad weather the launches which bring passengers to the liners lying outside are tossed about like cockle-shells, the passengers having to be hauled on board like so much cargo, either slung in boxes or in sails fastened together at the four corners. I have witnessed some painful scenes on such occasions, women and children shrieking in terror, and being hauled on board in wild hysterics. It is safe to say that no one will embark or disembark at Monte Video if it can be avoided.

The city itself is replete with interest from the Britisher's point of view, our countrymen having played a very important part in connection with it, and at one time owning the whole of its coast-line.

Monte Video was founded on May 1, 1717, by Don Mauricio Zavala, Governor of Buenos Aires, who defeated the Portuguese then in possession of it. For a few years the place was only regarded as a military post, but a number of settlers having disembarked there from the Canary Islands, they decided to remain, more especially as the same generous Governor of Buenos Aires presented them with a large number of cattle and sheep gratis. In 1778 Monte Video became a free port, and its commerce advanced with such extraordinary rapidity that in fourteen years' time it had become the greatest port in all South America, its total trade aggregating more than \$7,000,000. The quarrel between its citizens and the Government of Buenos Aires in 1815, however, put a check upon its progress. That year the Province broke away from the Argentine Republic, and established its independence under the guidance of one José Artigas, who had formerly been a General in the Argentine army, and was recognised as one of the greatest brutes of his age. One of his popular amusements was to conduct his victims to the summit of a hill overlooking the river, and thence kick them into the waters below, where they were left to drown. A monument erected to Artigas on this selfsame hill is the most conspicuous object seen in approaching the town of Salta on the river steamers.

The City of Monte Video covers over 1,650 'squares,' or, say, 4,000 acres, in addition to which it has several pretty suburbs, such as Union, Paso, Molino, Cerro, and Pocitos. What was the state of the city before the advent of the Monte Video Waterworks Company I do not know, but, like most South American cities, it must have been in a very bad sanitary

condition. Even now it is by no means perfection, although the Company to which I have referred has wrought wonders in the way of improvements. The water-supply is an excellent one, coming all the way from Santa Lucia, the water-pipes having a length of 150 miles, while the city is also supplied with an efficient service of electric light and gas.

There are a few handsome buildings in Monte Video, but nothing which will compare for beauty of architecture with such as are to be found in the cities of São Paulo (Brazil) or Buenos Aires, in the Argentine. A large but by no means attractive-looking building is the Cabildo, situated in the Plaza Constitucion, and which serves for both Senate House and Police-Court, while the Presidential Palace is also situated here. The principal square is a poor imitation of that in Santiago-de-Chile, but it does not compare either for size, adornment, or floral and arboreal attractions with that delightful place.

The cost of living in Monte Video is, I am told, very high, and from my own experience while there I am quite ready to believe the statement. As a matter of fact, the Uruguayan dollar, which is worth 4s. 2d. of our money, goes no further than the Argentine dollar, which is worth 1s. 10d. Hotel rates are high, and the service rendered anything but good. The supply of houses, furnished or unfurnished, is larger than that in the Argentine, but rents, on the other hand, are considerably higher. Taxation is somewhat lower.

The Stock Exchange is one of the finest buildings in the city, being copied from that at Bordeaux. It is situated at the corner of two streets, the Calles Zavala and Piedras. The building was erected in 1863, and is said to have cost \$160,000—say £32,000. The hall is decorated with the flags of all nations in fresco, and the splendid dry climate has helped to keep them in first-class condition.

The General Post-Office is hidden away in a side-street, Calle Sarandi, and might be passed by the unwary stranger time after time without its propinquity being suspected. Most of the business of the Post-Office is done in view of the public. The various departments open off a square courtyard, postage-stamps being sold through little trap-doors, very much like those in use at our railway booking-offices. After the postage-stamp has been affixed, the despatcher has to carry the letter to another trap-door department on the opposite side of the quadrangle and have it obliterated, after which he throws it into a common basket on the ground.

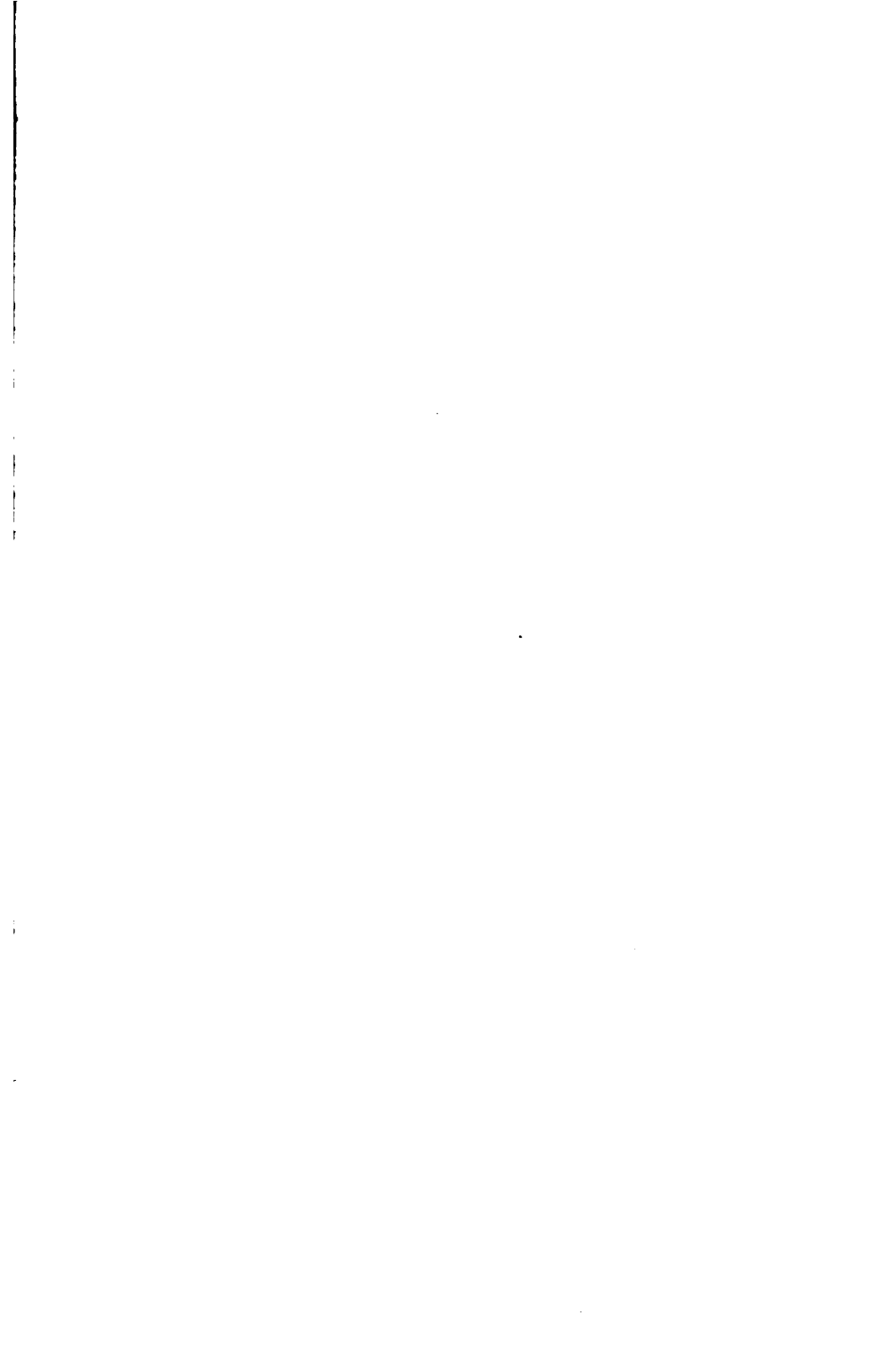
There is one fine theatre, known as the Solis Opera House, which is now about fifty years old and rather out of date so far as its stage and seating comforts are concerned. It, never-



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URUGUAY REPUBLIC

Landing-stage and Harbour at Monte Video. The "Cerro," or Mount, in the distance, is 505 feet in height, and is visible 12 miles out at sea



theless, holds 3,000 spectators, and it cost £52,000. It has a very handsome Doric front, and a bare but spacious foyer.

Not the least handsome structure in the city is the fine and commodious terminus of the Central Railway of Uruguay, which is illustrated elsewhere, and which forms one of the most complete buildings of its kind in South America.

Like most Roman Catholic countries, Monte Video is well provided with churches. The Cathedral is situated in the Plaza Constitucion, its towers rising to a height of 133 feet—that is to say, 225 feet above sea-level. Formerly Uruguay and the Argentine were comprised in one diocese, but in 1869 Uruguay separated, its first Bishop being the Right Reverend Dr. Vera. The Cathedral is dedicated to Saints Philip and James, no doubt due to the fact that Monte Video was founded on the day of the feast of those Apostles. The very good organ was made by the Irish firm of Talford, and is a particularly sweet-toned instrument. The Church of the Immaculate Conception is also a beautiful building, erected in 1858 by subscriptions collected from milkmen, gardeners, market salesmen, etc. There are a large number of convents, many English ladies being found among the nuns. The Daughters of Charity and the Sisters of Charity do a great deal of good work in the city, but they are not able to make much headway against the inherent vice of the population, who are rendered still more troublesome by indiscriminate gambling, drunkenness, and general immorality.

The number of schools, asylums, orphanages, and hospitals is considerable, and at all these institutions the Sisters of Mercy, as well as the Salesas Nuns, are very active. There is an English Church dedicated to the Holy Trinity, situated in the Calle Santa Teresa. The first stone was laid in 1847 by Admiral Sir John Purvis, on the site of a battery captured by the British in 1807. Mr. Samuel Lafone paid the whole of the cost of this building, and it contains a very handsome stained-glass window erected to the memory of his wife.

Although I did not personally inspect it, I heard very good accounts of the Hospital de Caridad, situated in the Calle 25 de Mayo. There are over 600 beds here, and once again the Sisters of Charity are in evidence, the hospital being entirely under their charge. The most extraordinary feature of the institution's management is that the Hospital receives the whole of its income from the State Lottery, that iniquitous and dangerous gamble which causes more crime than anything else in the country. There is also a British Hospital, which was founded about fifty years ago, and which contains sixty beds and five wards. It is well looked after, and the medical attendance is, so I am informed, everything that could be

desired. Like the British Hospital in Buenos Aires, this institution is said to be a credit to all connected with it.

Monte Video possesses a fairly large number of newspapers, the principal one being *El Dia*, the property of the President, Señor Batlle y Ordóñez, which manfully fights his battles day by day against an overwhelming contrary opinion. The only English newspaper published is the *Monte Video Times*, a journal which is the property of Mr. W. H. Denstone, who can make the proud boast that he has not missed a single issue for sixteen years, except on the usual feast-days and holidays. Considering the small circle of English at present in the country, Mr. Denstone may be considered an exceedingly enterprising journalist, more especially as he is both proprietor, editor, manager, and staff. Unfortunately, Mr. Denstone is not supported as actively as he ought to be, and the community take but a lukewarm interest in his enterprise. He is a plucky, spirited writer, and has the courage of his opinions. It is perhaps fortunate for him that the President and Government generally do not understand English; for otherwise some of his outspoken opinions, endorsed as they are by all honest-minded people, might bring him into trouble occasionally.

The city of Monte Video being built upon a slope, the drainage should be very easily effected, and perhaps the town's geographical position is its greatest safeguard; for it must be admitted that in spite of modern appliances, which have been introduced into most houses, the lower-class people are not as scrupulously clean as they might be. I am bound to add, however, that Monte Video, from a sanitary point of view, compares very favourably with any other South American towns that I have visited, not excepting Buenos Aires itself.

The docks are large and commodious, and have been rebuilt and added to at various times. An English engineer was responsible for the first dry-dock, known as Manás. This was constructed by Mr. Cox, C.E., in 1869, and it occupied four years in the building. The foundations had to be blasted out of the living rock, but the depth of water at the entrance is only 17 feet, which is not sufficient to allow of any big steamers, such as now visit the port, approaching within four or five miles. All the loading and unloading of cargo steamers has to be carried on by means of lighters. The dry-dock known as Gounouilhou, which is at the foot of the Calle Mayo, was opened in 1870, the constructional work being that of a French engineer, and the dock the property of an old and wealthy French resident. It is 300 feet long, and is very considerably used. A third dock is that known as Jackson and Cibil's, which was commenced in 1874 and took four years to complete.

The foundations are built in the solid granite rock; the total

length is 450 feet, the width 80 feet, and vessels drawing 24 feet of water can enter. The constructional work is undoubtedly well done, the dock being lined with rough-hewn stone with grooves to the bottom. There is a gate in the centre which divides the dock off into two compartments, and when this is closed the dock can be emptied in eight hours by means of a 40-horse-power engine.

I have already referred to the granite breakwater which has been commenced, and which has been seriously damaged by a hurricane. It is 380 feet long by 33 feet wide; the massive blocks of granite of which it has been constructed have been tossed about, and heaped one on top of another like so many wooden planks, although each weighs 10 tons. There is another breakwater on the other side of the port which cuts off a portion of the bay and serves as a viaduct for the Central Uruguay Railway. This was constructed between 1868 and 1870; it is 11 feet high, 67 feet thick, and 2,000 yards long, while it cost the sum of £120,000.

A new and commodious dock system is contemplated. It is to comprise an exterior port, having a depth of $26\frac{1}{2}$ feet, which should be sufficient to allow the largest ocean liners visiting this part of the world to come right up to the wharves and discharge alongside.

Means of locomotion are numerous, and the cabs, which are all well-appointed landaus, each with two horses, are moderately cheap. The tramway service, which has been in force for over fifteen years, has gradually been extended until it comprises practically the whole of the city. There are some eight different lines, aggregating about 130 miles of rail, and the number of passengers carried annually exceed 21,000,000. Over 4,250 horses and mules are employed, but these will be gradually abolished, since the whole system is to undergo electrification, the contract having been given to the well-known firm of engineers, Messrs. J. G. White and Company, Limited, of College Hill, London. The trams not only serve the city extremely well, but run out to the various suburbs, such as Paso Molino, one of the most fashionable, Pocitos, and Playa Ramirez. The latter is an agreeable, well-sheltered watering-place, which is thronged in the summer months with visitors from all parts of the Republic, and many from the Argentine. There is a long, smooth, sandy beach, which is largely used by bathers in the early morning, and for whose benefit there are hundreds of bathing-machines; but, like Mar-del-Plata in the Argentine Republic, there is a fiercely strong current off the shore, which renders the place exceedingly dangerous for bathers, the consequence being that numerous drowning fatalities take place every year.

A well-known English resident, Mr. Evans, built a very fine house overlooking the rocky headland of Punta Carretas, and here some of the finest strawberries and other luscious fruits can be found.

The whole of this coast-line is very picturesque, the hills of Maldonado rising some 900 feet behind, at a distance of over 90 miles; but so clear is the atmosphere that they appear to be much closer.

In addition to the pleasant suburbs I have mentioned, some easy excursions can be taken from Monte Video to a number of attractive model farms, about two days' journey distant. Any visitor who stays at Monte Video long enough—that is to say, five to twelve hours—makes a point of visiting the Cerro, or Mount, which gives Monte Video ('I see a Mount') its name. The hill is reached by means of a steam ferry, which leaves the Customs House every hour. From the summit a magnificent view of the ocean and surrounding country is obtained, and if the visit be paid in the early morning, a glorious sunrise may be depended upon. Unfortunately, at the foot of the hill are situated the various slaughter-houses for which this port of the Republic is famous, and which turn out thousands of tons of salted beef annually. The odour arising from them, which is exceedingly unpleasant, not only invades the nostrils of those who mount the Cerro, but, when the wind is blowing in a certain direction, it can be detected in any part of Monte Video itself.

Many foreign residents helped to make this part of the country quite charming, among whom was the late Mr. Jackson, who not only built a superb chapel in the florid Gothic style (to which he attached an orphanage under the care of the Sisters of Charity), but he constructed for himself a lordly pleasure-house with a superb series of gardens stretching away in the direction of Cerrito. The country houses of Messrs. Hughes and Barnett and of a Frenchman, whose property consists of a very famous nursery, in which are grown every fruit, vegetable, and shrub brought from Europe, add further attractiveness to what would be an otherwise rather prosaic and treeless space. A large block of offices and flats erected by the late Mr. Jackson, and known as the 'Jackson Building,' forms one of the most conspicuous edifices of the city.

Monte Video is very popular as a place of residence with Englishmen and their families, many of whom prefer it to Buenos Aires. There is a large amount of travelling done between the two cities, the journey—performed at night upon large and comfortable steamers—taking but twelve hours. On occasions, however, the river can become very rough, and then the journey is anything but pleasant for sea-sick-inclined



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URUGUAY REPUBLIC

One of the principal streets ("Calle 18 Julio") in Monte Video
The horse-drawn trams shown in photograph are now being replaced by electric cars



passengers. There is a comfortable and very hospitable English Club, at which strangers are made most welcome. Nearly all the British community belong to it, and a large and airy billiard-room is the rendezvous of all the good fellows of the place—and there are many of them. Montevideans are not oblivious of the Biblical injunction, 'be not forgetful to entertain strangers,' although I am sure it is with no expectation of 'thereby entertaining angels unawares.'

CHAPTER III

Banking in Uruguay—English bank—Issuing of notes—Monopoly for the State bank—*Pros* and *cons* of note remission—Borrowings by Government—Trade statistics for 1903-1904—The effect of the revolution on trade—Insurances—New measure affecting all foreign insurance companies—Probable suspension of foreign business—Monte Video Telephone Company—Monte Video Waterworks Company—Monte Video Gas Company

BANKING, as carried on in Uruguay, has met with varying success, not surprising considering the uncertainty of the political condition of the country from day to day. At least one important banking institution has come to grief—namely, the Banco Nacional, which was founded in 1888 by some Argentine capitalists with a capital of £2,500,000, and which suspended payment in 1890. The principal native bank is the Commercial, founded in 1858 by two Englishmen, named Jackson and O'Neill, and which has done a good steady and cautious business for many years. The principal English bank is the London and River Plate, which, started as a branch of the Buenos Aires house in 1863, has never looked back. It occupies a remarkably handsome building in the Calle Cerrito, some little way from the majority of the other banks, and the edifice cost over £30,000, fine marble pillars from Maldonado supporting the roof. During the past few months the bank has been authorized by the Government to continue its work in the Republic, and a fresh grant for twenty years has been issued, but as a bank of discounts and deposits only. This means that the bank cannot issue notes, the privilege of so doing being the exclusive right of the Bank of the Republic, with the exception of the term granted to the Banco Italiano, whose privilege expires in 1906, and will not be renewed. The Bank of the Republic is undergoing reformation under Government auspices. A fresh public issue to the extent of \$5,000,000 (£1,000,000) of reserve capital will be made and a board of directors elected, the Government reserving to itself the right of nominating one director and the President.

The Public Debt of Uruguay on December 31, 1903, was \$123,754,455, or, say, £26,330,735. This compares with

\$123,174,881 on December 31, 1902, showing an increase of \$579,574, or, say, £123,314. The gradual growth of the Public Debt since its start, some thirty years ago, may be seen thus :

		\$				\$
1860	...	...	2,726,880	1895	...	104,967,415
1865	...	...	11,096,440	1899	...	127,159,529
1870	...	...	17,241,019	1900	...	125,506,953
1875	...	...	45,198,189	1901	...	124,803,287
1880	...	...	48,505,068	1902	...	123,174,881
1885	...	...	60,174,294	1903	...	123,754,455
1890	...	...	89,848,850			

The determination of the Government to interfere with the existing order of things in banking circles has caused much dissatisfaction among the commercial classes of the country. At the present time the banks are one and all doing good business, and are completely contented with things as they are. The Government, in changing the system of plurality of bank-note issue, loses sight of the fact that this means a distribution of responsibility over a wide and therefore safer area. To allow emission of notes to one bank only is to follow the example of Venezuela, which, like the Uruguay Republic, is governed by a Dictator rather than a Constitutional President, one who does not hesitate to 'monkey' with the National Bank when he is in want of funds—and that is very often. It is small wonder for surprise that a feeling of distrust and doubt has arisen since the Government expressed its determination to adopt a system of unity in bank-note issue. In the event of future political trouble—which is certain to arise sooner or later, and perhaps sooner than later—the credit of the State Bank would at once suffer, and with that would come trouble for all the other banks, which would be sympathetically affected. The fact that the State Bank will, as I have said, have a board of directors and be a mixed institution scarcely touches the issue. The President and at least one director being Government nominees, must of necessity carry the Government's will to a completion, and a policy of independent administrative honesty is a matter of considerable doubt. Towards the end of 1904 several foreign banks came to the Government's assistance, advancing the sum of \$1,135,000—say £242,000—to cover the war's current expenses. The banks which took shares in this advance were:

		\$
Bank of Tarapacá and Argentina, Limited	...	235,000
London and River Plate Bank, Limited	...	150,000
British Bank of South America, Limited	...	150,000
Italian Bank of Uruguay	...	600,000
Total	...	1,135,000

The banks charged the low rate of 6 per cent., and, with the exception of the Italian Bank, they took Treasury bills against their advance. The Italian Bank supplied its share in the form of an overdraft.

Official statistics are most difficult to obtain in Uruguay, except when they have become ancient, and therefore practically useless. Then they are issued in enormous fat volumes, consisting of anything between 700 and 800 pages, and teeming with tabular matter of an absolutely valueless nature, such as the number of men and women attending places of religious worship; how many girls were received at school-treats as against the number of boys; the quinquennial population of obscure villages, etc., etc. After much trouble, it has been possible to find some return of the trade done by foreigners in Uruguay for the year 1903-1904, and this naturally shows a heavy decrease in view of the disturbed conditions of the country.

The subjoined figures are official, and give the results of fourteen years' trading:

Year.	Imports.	Exports.	Total.
	\$	\$	\$
1891	18,978,420	26,998,270	45,976,690
1892	18,404,296	25,951,819	44,356,115
1893	19,671,610	27,681,373	37,353,013
1894	23,800,370	33,479,511	57,279,881
1895	25,386,106	32,543,644	57,929,750
1896	25,530,185	30,403,084	55,933,269
1897	19,512,216	29,319,753	48,831,789
1898	24,784,360	30,276,916	55,061,276
1899	25,652,788	36,574,164	62,226,952
1900	23,978,206	29,410,862	53,389,068
1901	23,691,932	27,731,126	51,423,058
1902	23,517,347	33,602,512	57,119,859
1903	25,103,966	37,317,909	62,421,874
1904	21,216,689	38,456,167	59,672,856

These figures show that there has been a decrease of \$3,887,277, or about 16½ per cent., in imports as compared with the previous year, and that the exports were more by \$1,138,258 (representing 3 per cent.) than in 1903, which, being peaceful, proved a record year. The total trade, therefore, was less by \$2,749,019, although still above the average of recent years. In view of the fact that for ten out of the twelve months the country was devastated by civil war, the figures are surprisingly good, and show what the country could achieve if only it were afforded a fair chance.



INDUSTRIAL URUGUAY

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Specimen Pedigree Hereford Cattle, Chapter and Tyrant, shipped to the
" Lemco " and " Oxo " Cattle Farms at Fray Bentos



Of the decrease of \$3,887,277 in the imports, drinks, as a class, were responsible for \$419,082; but comestibles, cereals, and spices were higher by \$282,862. Tobacco and cigars were also larger by \$14,975. Soft goods and materials declined by \$1,498,872, due solely to the civil war, the trade in the interior practically ceasing. Ready-made clothing, to which the same remarks apply, was lower by \$461,548. The drop of \$1,006,009 in raw material and machinery is not to be wondered at, while the miscellaneous items grouped under 'Various' suffered an aggregate loss of \$778,856. Live-stock, however, was only less by \$21,467.

Although their education in this direction is gradually being effected, the people of Uruguay have yet to learn the true value and utility of insurance. I mean by this, life, accident, and compensation for illness, which are little appreciated or not understood at all in this part of South America. There are several Insurance Companies, however, including branches of some well-known and successful British offices, and they are—or rather have been—doing a fair amount of business up till now; but with an incomprehensible desire to meddle with existing institutions, especially if carried on by foreigners, the Uruguayan Government has latterly introduced fresh and very onerous laws in regard to Insurance Companies. I give a summary of these new or amended regulations so far as they affect, or are likely to affect, British offices now doing business in the Republic. The complete text of the new measures, which I understand are likely to be adopted by Congress, is very long; but the most important Articles are as follows:

ART. 1.—This establishes the conditions for granting legal status (*personería jurídica*) to Native Insurance Companies.

ART. 2.—Foreign Insurance Companies doing business in the Republic at present must, within six months, prove that they are organized in conformity with the laws of their own country. They must present an authenticated copy of their statutes, etc. They must bring and invest *all* the technical and additional reserves of the insurances effected since they commenced business, as also of all future insurances, these being invested in real estate or in bonds of public debt to be deposited in the Bank of the Republic, as guarantee of their liabilities to their clients. They must submit themselves, as regards their operations, to the national, judicial, and administrative authorities and laws, being henceforth considered as domiciled in the country for the corresponding effects. The local boards or principal agent must accredit their legal representation, without restriction of faculties, whatever the terms of the policies or of their powers. They must pay in the country all policies falling due, it being prohibited to contract for their payment elsewhere.

ART. 3.—Without prejudice to the above, foreign Life Insurance Companies must deposit in the Bank of the Republic 50 per cent. of each premium or renewal of the same.

ART. 4.—This deposit must be made in public debt or mortgage bonds, and any interests accruing on these shall be similarly deposited.

ART. 5.—This deposit may only be drawn upon on presentation of proof that the policy has fallen due or the risk expired.

ART. 6.—Such deposits are only subject to embargo when this course is absolutely necessary to secure payment of the policy.

ART. 7.—The deposits are to form part of the technical reserves of the Companies.

ART. 8.—In the case of native Life Companies the deposit must be 30 per cent., the other conditions remaining as above.

ART. 9.—The recipient of every policy becoming due must pay the following tax on its amount: 3 per cent. for fire or maritime policy; 2 per cent. on life policy, whether paid at death or before; and 1 per cent. on accident, storm, agricultural, and live-stock policies. The above is in addition to the existing taxes on insurances.

ART. 10.—The result of the above-named taxes are to be assigned to payment of the expenses of the Inspection Office hereinafter created, the construction of a building for National Museum and Library, and the creation of new Primary schools in the Frontier Departments.

ART. 11.—The Companies shall respond conjointly for these taxes, being authorized to deduct the same from payment of the policies, and deliver them direct to the State.

ART. 12.—All insurance agents, brokers, etc., must pay to the office a yearly license of \$15 cash—say £3.

ART. 13.—Any Company accepting an insurance from an unlicensed agent shall be fined for each such operation ten times the amount of the license.

ART. 14.—No insurance contract may be effected unless signed by a licensed agent.

ART. 15.—The new Laws create for the effects of this Act a special Office, to be called the 'General Direction of Insurances and Pensions,' which will also undertake the fiscalization of Pension and Savings Banks, etc.

ART. 16.—They also establish for this Office a staff of nine persons, with a yearly salary list of \$13,960 (£4,782), including \$2,800 (£560) to the Director.

ART. 17.—\$2,100—say £420—are assigned annually for office expenses.



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INDUSTRIAL URUGUAY

The Works of Liebig's Extract of Meat Co. Ltd. at Fray Bentos, Uruguay

ART. 18.—The installation and working expenses of the Office are to be paid provisionally from general revenue.

ART. 19.—This comprises the attributes of the Office, which include the quarterly fiscalization of the operations of the Companies to prove that they have complied with Arts. 3, 8, and 9, and the countersigning all the periodical balances.

ART. 20.—All Insurance Companies must present to the Government Office a half-yearly statement of their operations, specifying the taxes paid. This balance will be published in two papers (one to be the *Diario Oficial*) at the expense of the Company.

ART. 21.—All Companies must also present an annual statement of their funds in the Republic, specifying the sums received for premiums, office expenses, amounts remitted to or received from abroad, form of investment of funds in the Republic, reserves, profits and losses, and other data relative to their business.

ART. 22.—All Companies must state within thirty days whether they accept the conditions of this Act. Those failing to do so may not contract new insurances.

ART. 23.—Insurance Companies working clandestinely in the Republic without first obtaining legal status will be fined \$100 (£20) on each insurance effected, and an equal fine will be levied upon the persons or societies contracting insurances with such.

ART. 24.—Any Company resisting the fiscalization assigned to the Office will be fined \$500 (£100) each time.

ART. 25.—Any other infraction of this Act shall be met by a fine of from \$100 to \$1,000 according to the gravity of the offence, subject to the judgment of the Executive.

ART. 26.—The Executive may withdraw the legal status of Companies which by repeated infractions of this Act show bad faith in their proceedings.

ART. 27.—The Executive shall put this Act into force within three months.*

It will be observed that some of these stipulations are merely framed with a view to allowing the Government and its officials to still further blackmail and bleed the wealthy Insurance Companies, many of whom may, and will if they are well advised, cease to carry on their business at all so long as the new Act obtains.

Many important commercial undertakings in Monte Video are the results of British enterprise, such, for instance, as the Monte Video Telephone Company, the Monte Video Waterworks Company, the Monte Video Gas Company, etc.

The first-named undertaking, which has been established for seventeen years, is making steady and consistent progress, the

* For this translation I am indebted to the *Monte Video Times*.

profits for the past year being between £13,000 and £14,000, as compared with a little over £12,000 the year before. The policy of the Company is praiseworthyly conservative, and the service which they supply is generally approved and largely used.

The Monte Video Waterworks is a very old concern, having been established in the year 1867, after a summer of great drought. At that time Monte Video had no more than 60,000 or 70,000 inhabitants, as against its 235,000 of to-day. Up to that time the population had been entirely dependent on sub-soil or rain water, chiefly the latter, captured from the flat housetops, and conducted to underground cisterns, called 'algibes.' A concession was granted by the Government direct, and subsequently ratified by both the Senate and House of Representatives. A subvention of \$4,600 per month was accorded for a period of twenty years, the stipulation being that the water was to be brought from the River Santa Lucia, a distance of over 21 miles. This was done, and from that date forward Monte Video has never lacked a good supply of water; but the expenses were very much higher than anticipated, and, notwithstanding the Government's subvention, the Company was unable to pay any dividend up till 1883, for which year, as also in 1884, a distribution of 2½ per cent. was paid to the shareholders. In 1885 this was increased to 3 per cent., in 1886 to 3½ per cent., and in 1887 to 5 per cent., at which figure it remained for seventeen years, until 1904, when the 6 per cent. basis was reached.

Since acquiring the concession in 1879 the Waterworks Company has expended about £215,000 in gradually extending the works and introducing many vast improvements. About £100,000 of this amount was expended between 1889 and 1891, when an extent of additional ground was bought at Santa Lucia, and the existing purification, filtration, and storing plant constructed there. The Company has had to go through the usual amount of trouble experienced by many foreign corporations in South America, owing to the continual revolutions and struggle for supremacy between the contending Red and White factions. It is not only from war that these enterprises suffer; for direct attacks upon their rights under their concession are made, as has been the case upon more than one occasion by the Municipality of Monte Video against the Waterworks Company. One result was that the Company had to accept a reduction in the water-rates and metre-rents from 32 to 26 per cent., according to consumption. In return, however, they secured from the Municipality 'recognition of their rights,' which ought never to have been in dispute.

As a proof of what the Company have effected in the way of sanitary matters, I may say that whereas the former death-

rate in the city was 27 *per mil* before the installation of the works in 1871, it is now reduced to 15 *per mil*, a rate which compares favourably with that of any city either in Europe or America.

The Government of the Uruguay Republic is anxious to buy out the Waterworks Company, and 'modify considerably the present water service,' which is assuredly a very dangerous thing to attempt. The public and consumers are apparently perfectly well satisfied both with the method and quality of the water supply; why, therefore, one would ask, interfere with existing arrangements? Nevertheless, the present President of the Junta (Municipal Council) at Monte Video, Señor Vidiella, according to latest intelligence is engaged in the formulation of some plan for acquiring the Waterworks undertaking; so far, it would seem, the matter has not taken any definite or tangible shape. Mr. J. Anderson, the Managing Director and Secretary of the Company in London, is at present in Monte Video.

A visit to the Company's works is worth undertaking, although the journey from Monte Video is a tedious one. The distance is only 27 miles, but a lengthy carriage-drive of from 8 to 9 miles from Canelones has to be endured over roads which are always shockingly bad, and very frequently quite impassable. The intake is about 75 metres higher up than the dam across the river, and here the water enters the intake-building by means of a 24-inch pipe. From this building, which contains a float-pipe and a stop-valve, the water flows along a tunnel cut in the rock to the pump-wells below the Worthington engine-house, a distance of 144 yards.

The Worthington engines, which are supplied with steam by two Babcock and Wilcox boilers, pump the river-water through an 18-inch cast-iron main, a distance of about 766 yards and a height of about 60 feet, over the level of the sill of the lower weir to the Anderson revolving purifiers, which are situated the furthest away and at the highest point of the Company's installation.

After passing through the revolving purifiers and falling over the reaction water-wheels, the water flows along open aerating canals to one of the four settling deposits, where it is allowed to settle for a few days, depositing meanwhile the greater part of all matter held in suspension. The water is then passed on to the sand-filters, of which there are five, all on a lower level than the settling deposits. From the filters the water is conducted in iron pipes to the clear-water reservoirs, of which there are two, and from them it passes in a 24-inch main (cast-iron) leading to the Beam engine-pumps, which are made by Tannett, Walker, and Company, Leeds. There are three of these powerful Beam engines, supplied with steam by four

Babcock-Wilcox boilers, and they pump filtered water through a 24-inch cast-iron main to the service reservoirs at Las Piedras, a distance of about 21 $\frac{1}{2}$ miles and at an elevation of about 265 feet, over the sill to the river weir at Santa Lucia. At Las Piedras there are three high-level service reservoirs, two being underground and completely covered in, while one is uncovered. The total capacity at Las Piedras is more than a week's average supply.

From the service reservoirs at Las Piedras, which are about 12 miles from the Plaza Libertad, Monte Video, there are two 18-inch trunk mains to the city. Owing to the altitude of the reservoirs, a continual pressure is maintained in the city distributing and service mains of from 20 to 99 pounds per square inch, according to the elevation of the houses.

The water consumed during the last three years was as follows :

Year.							Litres.
1902	...	...	...	...	...	...	2,520,951,496
1903	...	...	...	...	...	...	2,573,083,827
1904	...	...	...	...	...	...	2,627,390,000

AVERAGES.

						Litres.
The average monthly consumption for the year 1904 was about	...	...	...	...	...	220,000,000
The mean daily average for the same year was about	...	...	...	...	...	7,300,000

The Monte Video Gas Company have shared, with other foreign enterprises, in the dangers arising from the unsettled condition of the Republic. Owing to revolutions, and especially that of 1904, their business was seriously interrupted, all the theatres being closed and the people leaving the city, consequently burning less gas. Nevertheless, now that matters are settled, if only temporarily, in all probability the Company will recover a great deal of the ground which they have lost.



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Monte Video Waterworks Co.'s Reservoirs at Santa Lucia, about 27 miles from the city of Monte Video



CHAPTER IV

Uruguay as a cattle country—Natural advantages—Shorthorns and Herefords—Stock-raising from English types—Some notable breeds—Liebig Company's estancias—The famous extract factory—Output—Dividends declared—Employees and employers—A competent management—A new Uruguayan Cattle Company—The future of Uruguay and potential wealth

IN place of the treeless flats and the uninterruptedly dull expanse of land which the Argentine presents, we have gently undulating ground, here broken by picturesque rock, brown and red, there swelling upwards into a round and grassy knoll, interspersed by running water and many sub-tropical trees, carpeted with bright-hued flowers and with a thin blue line of hills in the distance. This is Uruguay. A beautiful land, a rich land—a land God-given, but, alas! man-devastated. The abundance of wood and water, a genial and reliable climate, and numerous fluvial facilities for carrying on trade with the various parts of the Republic, should render Uruguay an ideal cattle-rearing country—as indeed it is. With more certainty in regard to the political situation and a greater amount of confidence in the immediate future, Uruguay might show more numerous prosperous estancias, where fine cattle is bred, multiplying year by year, bringing wealth to the individual and distinction to the country.

Where the breeding of superior beef cattle has been seriously undertaken from the finest English stock, the experiment has proved most encouraging and profitable. The superb beasts bred on the estancias at Fray Bentos are sufficient proof of this. Numbers of high-pedigree animals are brought out year by year, and the quality of the cattle generally is therefore continually being improved. At each recurring Cattle Show held in this part of the country the improvement in the exhibits is observed. Shorthorns are the favourite breed, the type being recognised as the most profitable of all. The breeders, moreover, are wise in aiming at a good average rather than at producing exceptional animals. Much naturally depends upon the selection of the sire, and perhaps also a little on chance

in coupling the sexes. The results evidence clearly the spread of the best strains, and common cattle is becoming less and less noticeable every day.

Although Hereford and Aberdeen Angus breeds are to be seen frequently on the Uruguayan estancias, they remain unpopular as profit-earning beasts, as is the case also in the Argentine. I have spoken with breeders who declare the Hereford to be 'a most disappointing animal,' while others, although admittedly discouraged, have expressed their determination to persevere with experiments in connection with it. Perhaps in a country less bountifully treated by Nature, the Hereford would prove the better. Certainly it thrives in a cold country, and with less food than a Shorthorn would do. But Uruguay is not a country where these privations occur. The northern districts have been found very successful for grading with Hereford bulls, and from Paysandu upwards the climate is said to be rather against the Shorthorn. In Salto, Tacuarembó, Artigas, Cerro, Largo, and Rivera, the Hereford is used, as well as in the Central Departments of Durazno, Minas, and San José, and even in the spacious cattle districts of Soriano and Río Negro herds of this fine Hereford cattle can be found. The breed is used in Brazil to some extent, and thrives there in spite of the great heat all the year round.

The pastures of Uruguay are so rich that the grazing stock is ready for slaughter two full months before that of any other part of South America.

High authorities on cattle-breeding declare that no finer butcher's meat can be produced than by a Polled Angus bull on a Shorthorn or high grass cross cow, probably three-quarter Durham blood. This fact is said to be well known to Polled breeders in Great Britain and Australasia, and it has, according to Professor Wallace, been equally demonstrated in Argentina.

Rivera is one of the finest of the cattle-breeding Departments, it being a purely pastoral country, and the annual value of its cattle reached, a few years ago, over \$7,000,000. It is probably less to-day, since, owing to the war, a number of estancieros abandoned their estates, and these have been allowed to remain unused till now. In Tacuarembó most of the estancias belong to Brazilians, who form 40 per cent. of the landowners there. The pastures are well stocked with cattle, but no agriculture worth speaking about is carried on locally. In Durazno there is one huge estancia belonging to the family of Thomas Fair, and measuring 360 square miles. An enormous amount of their cattle was stolen by the revolutionists in 1904, but just now the place is beginning to recover from their depredations and is being better stocked. Flores is another well-stocked Department both as regards cattle and sheep, and in Florida are

the estancias of Mr. John Jackson, owner of the Timote and Santa Clara estates, which, by-the-by, he bought in 1825 at the price of fourpence an acre! At Treinta y Tres, which is a very beautiful Department from a scenic point of view, there were formerly a good many English settlers. There are fewer now. It was here that the murder of an Englishman named Hart took place in 1891, his assassin being allowed by the Government to go scatheless. Of course, the most famous as well as the largest estancias are those owned by the Liebig Company, and which, although distributed over three different Republics—Uruguay, Argentina, and Paraguay—comprise over 700,000 acres. The areas of these estancias are as follows :

No.	Timote.	Owned.		Rented.		Head of Cattle.
		Acres (about).	Hectares (about).	Acres (about).	Hectares (about).	
URUGUAY.						
1	La Pileta and Laureles ...	40,260	16,299	—	—	9,369
2	Bopicua ...	8,592	3,479	—	—	2,577
3	Campo Pena ...	2,290	928	—	—	—
4	Mercedes Ferry Boat Land ...	43	17	—	—	—
5	Bellaco ...	24,564	9,946	—	—	5,694
6	Bichadero ...	58,534	23,698	—	—	14,154
7	Villa Blanca ...	17,563	7,111	—	—	5,138
8	Tres Arboles ...	10,578	4,283	—	—	1,540
9	Ombu ...	—	—	40,474	16,386	11,797
10	Rincon de Perez ...	—	—	49,570	20,070	10,240
ARGENTINA.						
Corrientes and Misiones:						
11	Rincon-del-Umbu ...	—	—	43,178	17,481	26,982
12	Rincon-del-Umbu ...	71,964	29,136	—	—	
13	Ita Caabo ...	85,440	34,591	—	—	21,706
14	Chacra at Mercedes ...	40	16	—	—	—
15	Angico ...	62,044	25,119	—	—	15,000
16	Garruchos ...	65,366	26,464	—	—	15,000
Buenos Aires:						
17	Campo Ramallo	1,909	773	—	—	—
PARAGUAY.						
18	Duarte Cue ...	86,697	35,100	—	—	15,000
19	Arrecifes ...	31,877	12,903	—	—	6,000
		567,761	229,863	133,225	53,937	160,197

Totals—700,986 acres ; 283,800 hectares ; 160,197 head of cattle.

Fray Bentos takes its name from a certain 'Fray' or Friar, Bentos, who, tradition says, had here his hermitage on the bank of a little tributary of the Uruguay, which thus acquired the name of 'Arroyo (rivulet) Fray Bentos.' The whole of the neighbouring country, along the banks of the Uruguay and of its tributaries, was at that time thickly covered with woods, frequented only by the woodcutters employed by one Don Francisco Haedo, to whom many hundreds of miles of the land then belonged, and the cattle industry, for which it has since become so famous, was hardly dreamed of. However, in 1858 there came into these parts some Englishmen, amongst them James Lowry and Richard Hughes, who started a small place for salting and drying beef (Saladero), a mile and a half or so above the Arroyo Fray Bentos, and on the main river. About one ox was killed there every other day, and the time in between taken up by 'working up' the meat for the market.

The works of Liebig's Extract of Meat Company, Limited, at Fray Bentos, in Uruguay, and the adjoining little town of the same name, are situated at a picturesque spot on the left-hand bank of the Rio Uruguay, just at that point on the map where, some 120 miles above Buenos Aires, that stream takes a sweep to the right, some distance above its juncture with the Rio Negro. Here the river bank, of brick-red 'tosca,' rises to a considerable height, forming quite a little cliff, or 'barranca,' as it is called, and viewed as one approaches in the river steamer, the tall chimneys, extensive buildings, and busy wharves of the factory, with its numerous houses and dependencies, set, as it were, in a framework of dense foliage and verdant plantations, and glistening white and red in the bright Uruguayan sunshine, present a striking and attractive picture—a contrast, indeed, with some of the smoke-begrimed factories of the North.

In 1863 a German named George Giebert, an engineer, who had lived many years in Brazil, came to the Saladero Fray Bentos, and, struck with the possibilities of the place, obtained permission from the owners to put up a small building by the riverside, where he started his first trials for the manufacture of extract of beef upon the system of Professor Justus von Liebig, the famous Munich scientist, whose acquaintance he had made shortly before, and from whose writings Giebert had conceived the idea that this country, abounding in good cattle, which hitherto could not be properly utilized for human consumption, would be the very place for the manufacture on a large scale of 'extractum carnis.'

It is significant of the Company's progress that this same building of Giebert's barely suffices to-day to contain the pumps which supply the establishment with water.



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RAILWAYS OF URUGUAY

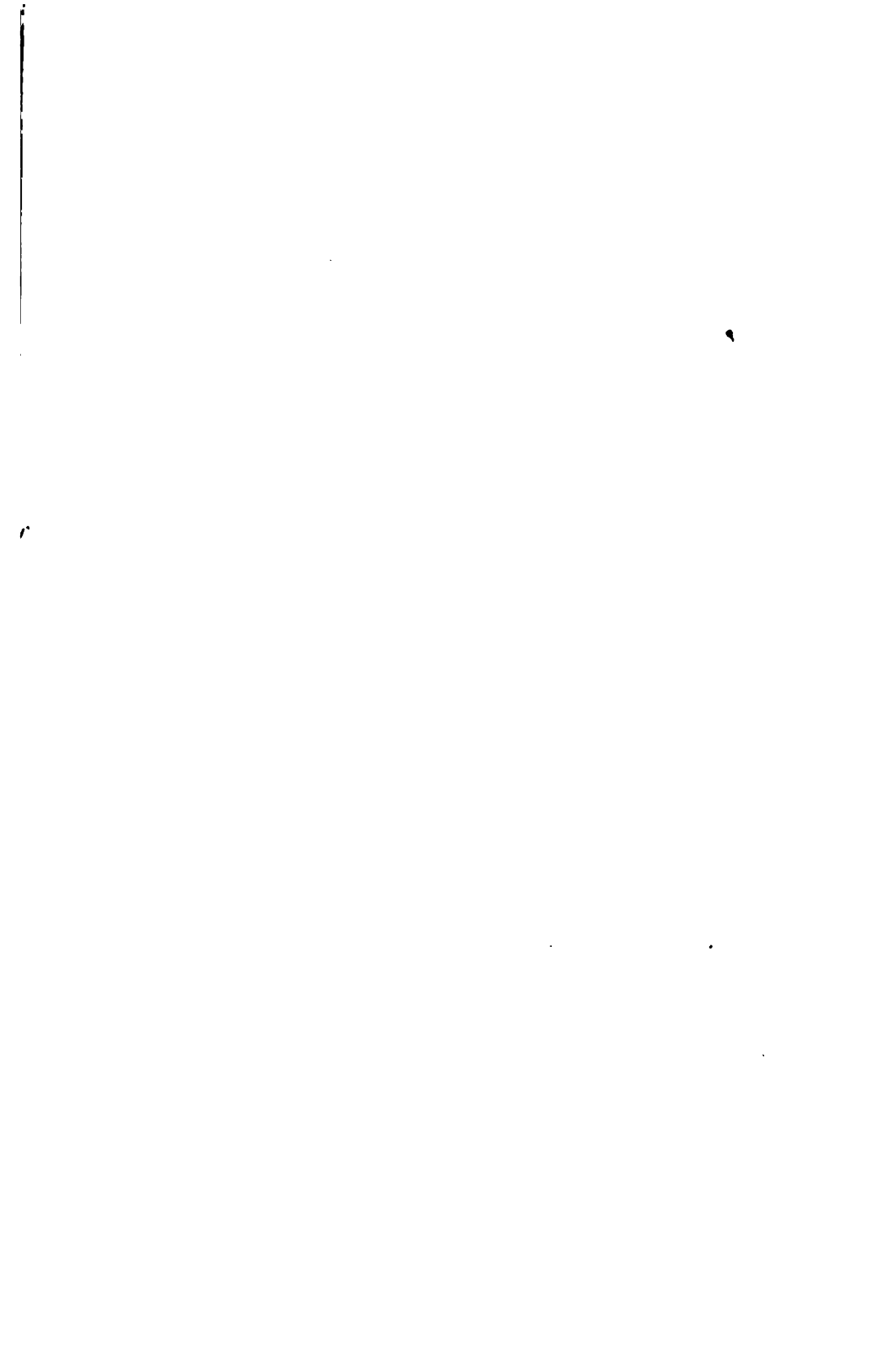
Terminal Station of Uruguay Central Railway, at Monte Video
(Opened July 1897)



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RAILWAYS OF URUGUAY

Terminal Station of the Central Uruguay Railway at Monte Video, showing
Passenger Platforms and Goods' Yard in distance
(Roof = 1 span of 48 metres = 157' 6")



After Giebert had succeeded in obtaining a product which Justus von Liebig, on careful investigation, declared to be the 'real' article, the installations were enlarged—always at first by small degrees—until, in 1865, the Company was established, with its head office in London, Liebig being one of the founders and the first Director of the Company's Scientific Department, he having very strictly stipulated that only on condition of the Company continually submitting their extract, before putting it upon the market, to him and to his successors for analysis and approval of quality, would he allow the use of his name. This condition of thirty-nine years ago has always been, and still is, strictly adhered to.

The authorized capital of the Company was at first £500,000, in 25,000 ordinary shares of £20 each, which capital, however, was only called up gradually, and not fully paid until 1895. In 1900 it was increased to £1,000,000 by the creation of 100,000 5 per cent. preference shares, which, also, were issued gradually up to 1903. The Company's ordinary shares were in 1903 subdivided into shares of £5 each, which, it is interesting to add, are worth to-day to the lucky holders some five times as much.

This gradual increase of capital was a very natural consequence of the steady growth and prosperity of the business, which from very modest beginnings has developed into the present concern, owning the extensive works at Fray Bentos, Uruguay, as well as a large factory at Colon, in the Argentine Republic—formerly belonging to the Argentine Fresh Meat Company, which only made jerked beef, and, falling upon hard times, had to sell out—which was taken over in 1903, and is now in full work.

The Company has very large cattle-farms in the Republics of Uruguay, Argentina, and Paraguay, comprising in all about 756,000 acres of the best grazing land in the world, of which 623,000 acres are their own property, the remaining 133,000 acres being rented. These lands support a permanent population of some 180,000 head of horned cattle, 52,000 sheep, and about 15,000 horses, all belonging to the Company.

Year by year they import from England, at heavy cost, numbers of fine pedigree bulls, two of which, 'Chapter' and 'Tyrant,' I illustrate elsewhere, and thus is kept up and improved the quality of the cattle upon these great ranches, which constitute a very important part of the economics of the business.

'Who breathes must suffer; who thinks must mourn.' These words of the poet, Matthew Prior, occurred to me as I watched the troops of patient, plodding cattle driven into the slaughter-houses of the Liebig Company, and while observing with a deep feeling of commiseration the look of un-

known terror of 'something' in their pleading brown eyes, recognised the mercy of Providence in shielding from them, by depriving them of the power of thought, the knowledge of their swift-arriving doom. 'Think' they could not, and 'suffer' they do not; for the merciful mode of killing, by a swift, powerful stab severing the cerebral artery, renders all sensation impossible. Still, I remember, and always shall, those big brown eyes of pleading, piteous reproach.

Since it was started the Company has killed about 5,300,000 head of cattle; it has imported about 270,000 tons of coal for the use of the factory in working them up, and has paid £3,000,000 odd to its shareholders in dividends and premiums. Large shipments of gold for cash requirements, generally £25,000 or £50,000 at a time, have been sent out regularly from London to the Works. During the past financial year alone, for instance, £675,000 in coined English sovereigns were so shipped direct from the Bank of England.

At their different factories the Company kills every year some 200,000 head of cattle, or more. The highest number killed in any one year has been 250,000 head of cattle, employing about 1,800 men. The principal establishment at Fray Bentos, with its buildings, storehouses and depots, foremen's houses, workmen's cottages and dwellings, its managers' fine residences, and the roomy and handsomely-equipped 'Mess,' where are quartered the unmarried members of the managing and office staff, constitutes a small city, with its own extensive gas and waterworks, electric-light plant, system of tramways, and large wharves on the river, where ocean-going steamers of considerable tonnage can at all times discharge and load, and where one may often see, during the working season, as many as half a dozen vessels unloading their cargoes of coal or salt, timber, machinery, tinplates, and innumerable other supplies for the factory; or loading for the European market hides, tallow, horns, hair, bones, etc., or the finer products of the preserving department, such as tinned tongues, extract, corned beef, boiled beef, ox-tail soup, and so on.

The utilization of the animals is complete, and not the smallest portion is allowed to go to waste. The very refuse and offal, which in former years the *Saladeros* used to throw away, become, after certain treatment, a valuable fertilizing material, and in the form of a fine powder, as also bone-meal, made from such of the bones as are not utilized for manufacturing purposes, and dried blood, is packed in bags and shipped to Europe and the United States, where it meets with a ready market.

The 'Playa,' or slaughter-house, is a vast, airy shed paved with smooth tiles, where are performed the operations of skinning,

cleaning, and cutting up the animals, and distributing the various parts to the different departments of the factory. Adjoining the slaughter-house are the sheds arranged for salting and storing hides in readiness for shipment, the tallow factory with its dependencies, and the department for the cleansing and preparation of sausage casings.

Spacious arrangements are provided for hanging up and storing the beef, a department of the Playa which, like every other part of the factory, satisfies the highest possible demands as regards cleanliness. Close by, too, is the entrance to that all-important department, the extract factory, consisting of a series of well-constructed, lofty buildings, containing the powerful machinery of the department, such as the machines for cutting and mincing beef, specially constructed extracting apparatus, filtering machines and concentrators, as well as innumerable auxiliary machines, pumps, conveyors, large tanks and deposits, the whole interlaced and undermined, as it were, with an elaborate system of piping of various sizes, absolutely unintelligible to the non-technical visitor.

In so go-ahead an establishment as that at Fray Bentos one naturally expects to find all the machinery and appliances of the most perfect and up-to-date nature. And they are there. Finer machinery I have seldom seen anywhere, much of it specially designed for the Company using it. Electricity is employed largely—in fact, wherever possible. The engines, built by a Swiss firm of engineers, are driven by electricity, the dynamos being of German construction. The boilers are English, the older ones being the work of Galloways, Limited, Manchester, and the newest that of the Babcock and Wilcox Company, whose modern type of boilers are now to be seen in use all over South America in connection with almost every large installation of machinery.

The machinery used in the slaughter-house for hauling up the carcasses and running them along to the various departments, where the skinning and cutting up are carried on, is all American. The complicated-looking, but really extremely simple, machinery used in the extract of beef factory is of Scotch and Swiss manufacture, Messrs. Mirrlees Watson and Company, and Watson, Laidlaw and Company, both of Glasgow, having contributed the most important and most-used portion. Messrs. Haslams, of Derby, supplied the freezing-plant, and the Central Cyclone Company, of London, the mills. The pumps are from the well-known and unapproachable Worthington Company, of London, and Tangye's, Limited, of Birmingham. Messrs. Watson, Laidlaw and Company, of Glasgow, likewise made the fine tallow machinery installation, and Messrs. Mirrlees, Watson and Company the extracting-pans. In fact, all the concentrated in-

genuity of the engineering world has helped to equip this remarkable factory.

A large space of ground is occupied by the main boilers, while a good many of the departments have their separate and independent boilers. The desiccators employed in the preparation of meat-meal, bone-meal, and guano, with their auxiliary machines, conveyors, etc., form, in conjunction with the large mill in which all these products are ground, another very extensive department.

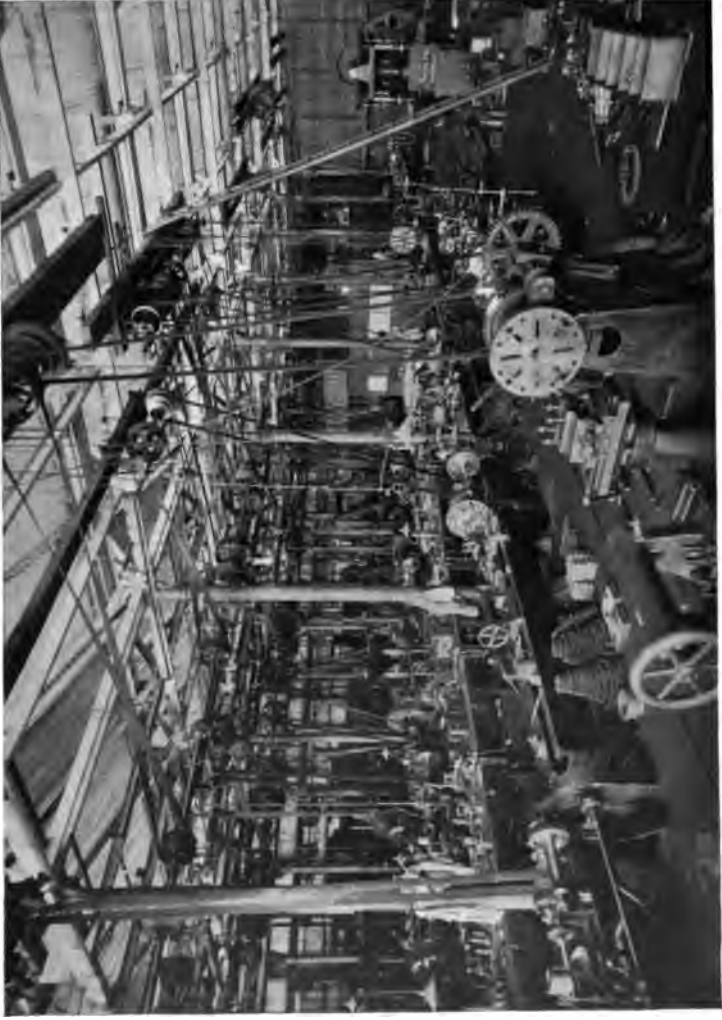
The can-making and canning factories are fitted out on the North American (Chicago) system. Then there are smaller departments for the preparation of bones or refined fat, sinews, hide cuttings, cow-hair, etc. Of interest also are the engines for the supply of motive power to the factory and the various branches connected with the engineering department, such as the engineers' and founders' shops, the dynamos for the supply of electric light, the pumping-station, etc., besides the carpenters' and tinsmiths' shops, which are occupied more particularly with the manufacture of tins and cases for the packing of the various articles of produce, as well as with repairs and new constructions of every description.

The numerous employees are well catered for, and many of the men have been in the Company's service from their boyhood up, and, in many cases, their fathers before them. They are provided with a fine open place for dancing—a very favourite diversion with all—and they have a first-class band, recruited entirely amongst themselves, and headed by a professional bandmaster. The Company has its own hospital, in charge of a competent medical man, a school with properly trained masters, while sickness and old age are provided against by substantial sick and pension funds, and every encouragement is given to thrift through a Savings Bank, in which the employees may with security and profit deposit their savings. Close by is the office, and the members of the staff have but a few steps to reach their comfortable quarters.

In the course of this year (1905) some thirty-eight vessels discharged at the moles a total of about 23,000 tons of various supplies for the use of the factory, while during the same period were shipped thence about 26,700 tons of various produce—extract of meat, corned beef, hides, tallow, guano, etc.—while the amount paid in wages was about \$300,000 (£60,000).

As an example of colossal enterprise carried on in a country in almost continual political trouble, Liebig's Company stands, I should say, unique, a fact which has induced me to devote as much space as I have to a description of its principal features.

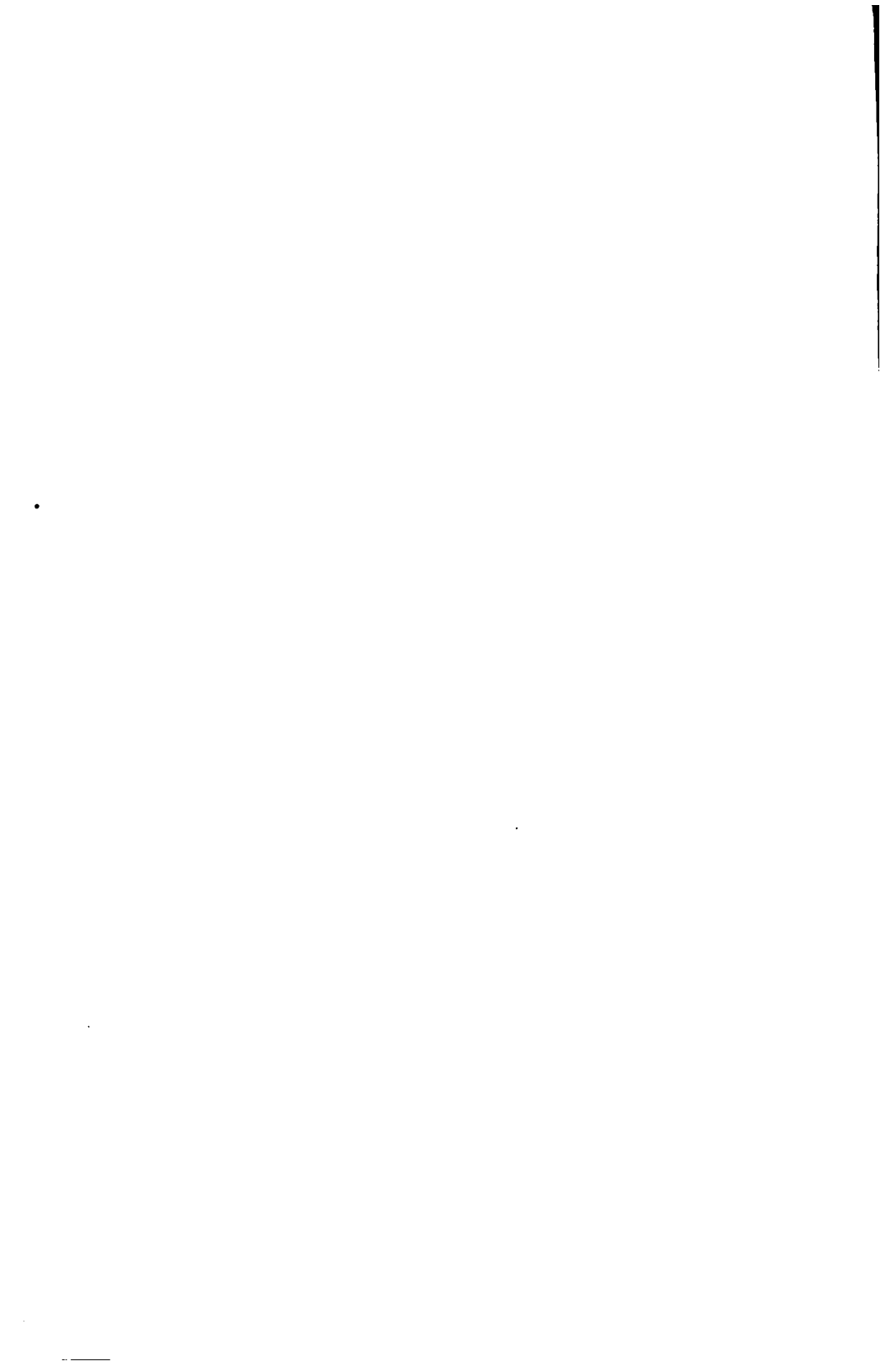
A new cattle-breeding concern, known as the Uruguay United Estancias, Limited, with a capital of £85,000, was formed a



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Interior view of Machine Shop of the Central Uruguay Railway at Peñarol



few months back to, among other objects—which included a 'search for minerals'—carry on the business of estancia and farm proprietors, stock-breeders, and dealers in cattle. I observed among the names of the first directors that of Mr. J. St. Foyne Fair. The name of Fair is one of the best-known in cattle-breeding and ranch-owning circles of Uruguay, a Mr. Thomas Fair, as above mentioned, being the proprietor of the famous San Jorge Estancia, on the Arroyo Chileno, in the Department of Durzano.

I am convinced that the great future of Uruguay lies in the cattle-breeding business, and in peaceful times this could easily become the greatest cattle country in the world. Fifteen years ago there were 5,281,000 cattle, 13,757,000 sheep, and 363,000 horses in the country, and some 1,124,000 acres were under tillage. Probably the number has been materially increased since, even allowing for the great wastage effected by the series of revolutions since 1890; but ten times this number could be reckoned on in a few years' time if only Providence and the people would permit.



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CHAPTER V

Railways of Uruguay—Early days and difficulties—The first line—Financial troubles—Government guarantees—Indebtedness to the Company—Revolutions and effect on traffics—Extensions—Santa Ana—A 'Tom Tiddler's' ground—Brazilian smugglers—Amalgamation with Western Extension—Civil war—Some prominent battles—General Savaria and the Company—Government and claim for compensation—Destruction of bridges

It was not until the year 1860 that the first projects of a railway line assumed definite form; and, to the credit of the Old Country be it said, it was a certain John Halton Biuggeln, an Englishman, who had lived for thirty years in Uruguay, who took the initiative. It is hardly necessary to add that from the moment he commenced his plucky enterprise he met with difficulty after difficulty, and probably, had he not been an Englishman, with all the native energy and perseverance, he would have thrown up the idea in disgust long before he actually brought it to fruition.

As far back as 1892 there were no fewer than seven different railways in the Uruguay Republic, these being the Central Uruguay, North-Eastern, Northern Extension, and Eastern Extension, which are now worked as one system; and the North-Western, Midland of Uruguay, and the Uruguay Northern, worked separately, but from one central office.

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The first line of railway actually commenced was from Monte Video to La Union, a distance of about 5 miles, and the concessionaire, Mr. John Biuggeln, announced that he was prepared to find the necessary capital and carry out the construction of the line, the Government guaranteeing 10 per

cent., and allowing two years to carry out the work. His idea in making this line was to bring in the country produce by rail from La Union, where he proposed to found a produce-market and establish a limit for the bullock-carts, instead of allowing them to come all the way into the city of Monte Video, as they then did. The state of the roads between the two extremities was such that the object appeared quite reasonable, both from a practical and a financial point of view; unfortunately, however, both this scheme and another, which was presented by a Frenchman named Eugène Penaut, were entirely given up through a further serious revolution, and it was not until 1864, when a Provisional Governor for the Republic, the celebrated General Flores, elected himself Provisional President, that sufficient confidence was restored, and thoughts were again directed in the channel of railways and other works of public importance.

Once more surveys were made, and finally, in 1866, the Government gave permission for the laying down of a horse tram-line to La Union, and soon after another one was started to the Paso-del-Molino; while a third applicant, this time a Uruguayan, one Don Senen Manuel Rodriguez, presented a proposition to the Government, asking for a concession to build and work a railway from Monte Video to Durazno, and General Flores, who was by no means averse to foreigners coming into the country and spending their money for the benefit of the Republic, once more granted his permission. The railway was to be called the Ferro Carril Central del Uruguay, and it was left to Señor Rodriguez to raise the capital necessary for the line in the country itself.

It might have been supposed that, being a native of the Republic, he would have known something about his own country and his own countrymen, and precisely how much he could get out of one and the other; but he seems to have been lamentably ignorant on this subject, since he was foolish enough to suppose that he could raise sufficient money for his scheme without going abroad for the purpose. He entered into preliminary agreements, and everything went well until the actual moment arrived for handing over the necessary cash. The Government, with a readiness which in itself should have created suspicion, had cheerfully guaranteed 7 per cent. on £10,000 per mile for a term of forty years, the conditions being that the said Government were to have the right to control the Company's books, and in the event of the profits exceeding 7 per cent., the Company was to return 50 per cent. of any excess to the Government, which was also to have the right to intervene in the Company's tariffs when the profits exceeded 16 per cent., with the introduction of one or two other little

demands, such as mails and correspondence to be carried gratis, 50 per cent. reduction on tariffs to be allowed to all Government officials and employees when travelling, and the same reduction on all cargo when for Government service.

The statutes of the new Company were drawn up, the capital was fixed at \$6,580,000, and it was stipulated that the directors were to subscribe 100 shares of \$235, or £50, each. The directors, however, who were very canny men, and failed to share in the enthusiasm of the concessionnaire, stipulated that they should only take shares in proportion to the amount which was subscribed by the public; and as a proof of how wise they were in their decision, I may say that they eventually only had to take ten shares each. They also stipulated that they were to receive $\frac{1}{2}$ per cent. upon the capital of the Company, which, had the whole of it been raised, would have meant that these eleven gentlemen would have shared between them the nice little sum of £77,000 in directors' fees. This, I may say, was merely in compensation for services in forming the Company, and for their administration during the construction of the line. Their actual remuneration, after the completion of the construction, was to take the modest form of $\frac{1}{2}$ per cent. on the gross receipts per annum for each Director. It is scarcely surprising that such rapacious demands defeated their own object, and the natives of Uruguay showed their great common-sense by refusing absolutely to have anything whatever to do with the railway scheme as then put forward. The directors, therefore, changed their tactics, and although the statutes had been already approved by General Flores, these gentlemen, in view of the better financial position, altered the articles of incorporation so far as they related to their own remuneration and fees. They determined among themselves that they should resign as soon as 5,000 shares had been subscribed, including the 2,000 supposed to have been taken by the Government, and they likewise determined to leave all question of payment of their services to be determined by the shareholders, which, perhaps, under the circumstances, was the wisest thing for them to do. It subsequently transpired, however, that only 3,350 out of the 28,000 shares had actually been taken up, including the 2,000 'voluntary shares' so generously subscribed by the Government, and which, I may add, were several years afterwards returned to the Company, the Government not having paid one single cent. instalment upon them!

In the face of such difficulties as I have mentioned, and of many others to which I have not referred, the Central Uruguay Railway was constructed, and the first year's working is described in an interesting Directors' report, which I have seen, bearing date '1869.' This somewhat pathetic document shows



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Front view of Inspection Train on the Uruguay Central Railway

that the expenses exceeded the gross receipts by \$17,347 (or £3,690), the gross receipts only amounting to £8,260, the figure corresponding to 'cargo traffic' for the year being a beggarly \$196. The principal traffic seems to have consisted of passengers, and was probably due more to the novelty than the actual necessity of travelling. The difficulties at this time seem to have been too much for the chief engineer of the line, who died at his post.

The second year's experience of the Central Uruguay Railway was little more encouraging. A fresh revolution broke out at this time (1870), known as the 'Guerra de Aparicio,' probably to distinguish it from its numerous predecessors, and naturally the receipts of the line were very materially affected by that, both for passenger and cargo traffic. The Local Board did what they could in regard to the actual reduction of working expenses, bringing their staff down to a minimum; but not a penny-piece could they extract from the Government, either for past debts or as compensation for destruction and damage, which, at the end of the year, owed them over \$500,000. Just at this time the financial affairs of the railway became desperate, and the Local Board decided to send Señor Rodriguez to London, armed with full powers to negotiate a loan there. Señor Rodriguez sailed away about the end of 1870, and after hawking his business round about the City of London fruitlessly, for nobody would look at a Uruguayan enterprise in those days, he finally came to an anchorage in the offices of Messrs. Waring Brothers, with whom he made an agreement, which was duly signed on April 6, 1871, the trustees appointed being Mr. George Drabble, Lord Henry Gordon-Lennox, and Mr. Loftus FitzWygram.

By the terms of this agreement, Messrs. Waring Brothers undertook to build the railway as far as the north bank of the river Santa Lucia, to construct the railway workshops at Bella Vista, and to complete the terminus station at Monte Video. For this purpose £300,000 was necessary, and it was obtained by issuing bonds to that value at 70 per cent.—that is to say, 30 per cent. discount. Things went along somewhat better after this, but the working expenses still continued largely in excess of the receipts; extensions were going on, and still more money was required. Another contract was therefore entered into with Messrs. Waring Brothers, this time on January 4, 1872, the contractors to receive, in payment for the 81 miles of new line which they had to construct, 15,941 preference shares of £50 each, which were issued in London at 70 per cent., bearing interest at 7 per cent., the Uruguayan State guaranteeing them.

In relation to this State guarantee one is tempted to ask,

'Quis custodiet custodes?' for the Uruguayan Government once more failed to carry out in part its fresh obligations. The British contractors also increased their original demand, which was to receive 15,941 shares, their amended claim being for 17,441, upon the grounds that the line was found to be $7\frac{1}{2}$ miles longer than was originally contracted for.

In 1875 the Uruguayan Government was debtor to the railway owners for £125,000, and naturally the proprietors were nervous. Had the Government even met part of its obligations—say, for instance, with regard to the interest on the £300,000 raised in 1871—the lenders of the money might have felt satisfied; but on this the Republic had defaulted, and in the end the London and River Plate Bank, Limited, came to the rescue, and advanced the necessary money, which was repaid, little by little, by the railway company.

All this time revolutions were going on merrily in the country, and trade and commerce were brought practically to a standstill. Even the passengers by the trains were obliged to take out special passports from the Chief of Police to allow them to travel. In 1877 things came to such a pass that an entire reorganization of the whole of the railway had to be undertaken, and it then became an all-English Joint Stock Company. Once more solemn engagements were entered into with the Government, among them being a stipulation by which it was agreed that for ten years the Government should pay a subvention of \$25,000 (£5,320) per annum, to commence January 1, 1879; another was to the effect that it was to return the 5,000 ordinary shares, upon which it had not paid a single instalment, the Company undertaking to destroy them; and, again, that it was to pay, in four monthly instalments through the Customs House, the amount owing to the Company for service and special trains, while in future it was to pay cash for all similar services. The Government also undertook to issue bonds to the amount of \$1,000,000, bearing interest of 4 per cent. per annum, payable quarterly, and 2 per cent. per annum amortization. With this fresh programme before them, and the opening, at last, of a vista of peaceful and profitable working, the Company, with its Board of London Directors, its local management (which had up to this point worked at variance with the London representatives) in full accord, entered upon a new lease of life in 1878.

For the first year after this things worked smoothly, and, among other additions to the line, the Yi extension and bridge were finished and opened to the public on November 15. Two years later—viz., 1881—the deviations of the line at kilometres 20 and 85 were commenced, and were completed in the following year; hydraulic machinery was introduced at the Central

Station for working the cranes and capstans, whilst several improvements were carried out at the Bella Vista workshops, and the rolling-stock generally was considerably increased—not before it was necessary. In 1885 an extension to the north bank of the Rio Negro was commenced, and in the same year the kilometre 99 deviation was successfully carried out.

In order to pay for the Rio Negro extension, which was one of 40 miles in length, more money was required, and to raise this 25,000 new ordinary shares of £10 each were issued. It took about twelve months to complete this new extension, and it was sufficiently finished to allow it to be opened to public traffic as far as Moles in February, 1886. A few months afterwards the line was carried as far as the south bank of the Rio Negro, and six months after that the iron bridge was erected. About this time also the Government gave to a London firm of contractors (Messrs. Greenwood and Company) a concession for the working of a railway to the frontier of Brazil, terminating at a place called Rivera, a total distance of 180 miles. The frontier here between Uruguay and Brazil consists of a narrow strip of land about 20 feet wide, which is, and always has been, literally a 'Tom Tiddler's Ground.' In the bad old days, when smuggling was rife between Brazil and Uruguay (as it still is, by-the-by, though in a modified form), many a smuggler bold escaped from the hands of the Brazilian police to safety across the border. On the Brazilian side, facing Rivera, is the ancient Portuguese-built town of Santa Ana, where as yet no railway has come.

What was no doubt inevitable sooner or later eventually came about—viz., the absorption by the Central Uruguay Railway of the new line of railway, which was taken over for a period of 999 years on the terms of an annual rental of £48,000 per annum for the first three years, £52,000 per annum for the next six years, and £56,000 per annum for the remaining period. It is now worked as part of the Central Uruguay Railway Company's system.

About the time of the concession being granted for a line from Rio Negro to Rivera, a similar concession was given for a line from the north-eastern station of Toledo to a small village called Nico Perez, a distance of 128 miles. Construction upon both of these extensions was carried out simultaneously, but by two different construction companies. The Northern, which, as I have said, extended for 182 miles from Rio Negro to Rivera, was under the direction of Mr. Robert Crawford, and was finished in February, 1892; the Eastern extension of 128 miles, under the direction of Mr. T. Holmes Perry, was begun in August, 1889, and finished in September, 1891.

The affairs of the combined and much-extended Company

had now become so wide that it was found necessary to erect new workshops, and, land having been bought at Peñarol, a few miles outside Monte Video, the new buildings were commenced, and a short branch line connecting the shops with the Central and North-Eastern lines was also laid down. Once again the Company's capital had to be increased, and by the creation of 64,000 new shares of £10 each the total capital was brought up to the sum of £2,000,000. It seemed, however, as if the Company had only to launch out into fresh enterprise for misfortune to fall upon its head. No sooner were the new workshops approaching completion, and the new branches in working order, than a severe commercial crisis took place in Monte Video, and things commenced to look very black indeed for the railway's immediate future.

As might have been expected from previous experience, the Government at once cited the condition of the country as an excuse for defaulting in the payment of the stipulated guarantee. They bluntly informed this and other foreign-built lines that they did not intend for the future to pay the 7 per cent. guarantee, and they would have to be contented with something less. This 'something' eventually assumed the form of 50 per cent. reduction, and from that day forward to this the Government never paid more than $3\frac{1}{2}$ per cent., or just half per cent. of what they undertook to pay. All debts to the end of the year 1891, it was agreed (the railway had really no option in the matter), were to be discharged by an issue of bonds of the new Consolidated Debt for the nominal amount due, issued at £65 per £100, and bearing interest at $3\frac{1}{2}$ per cent. per annum, payable quarterly in London.

As if this heavy financial trouble were not sufficient, the unfortunate Company suffered about this time a severe loss by the total destruction by fire of their fine station and offices. Then came still more trouble in the form of big floods, damage being done to the extent of nearly £3,000. Nevertheless, the Company gamely struggled on, using their receipts in an economical and sensible manner by maintaining the excellence of the line, as well as in erecting new goods-sheds at Bella Vista and some moles. It was not until July, 1897, that the new Central Station was rebuilt and opened to the public service.

The serious periodical Revolutions, such, for instance, as that which took place in 1896, resulted invariably in damage to the Company's property. That year the frontier was invaded by bodies of armed men, and among other damage which they did was the blowing up of the Company's fine bridge at Corticeras, and all attempts to repair it were met by threats from the Revolutionists to shoot at sight any man who was found making an effort to do so.



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Bridge over the Rio Negro, Central Uruguay Railway
This Bridge is 755.73 metres long, having 22 spans of 18.36 and 9 spans of 39.00

CHAPTER V

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It was not until the year 1860 that the first projects of a railway line assumed definite form; and, to the credit of the Old Country be it said, it was a certain John Halton Biuggeln, an Englishman, who had lived for thirty years in Uruguay, who took the initiative. It is hardly necessary to add that from the moment he commenced his plucky enterprise he met with difficulty after difficulty, and probably, had he not been an Englishman, with all the native energy and perseverance, he would have thrown up the idea in disgust long before he actually brought it to fruition.

As far back as 1892 there were no fewer than seven different railways in the Uruguay Republic, these being the Central Uruguay, North-Eastern, Northern Extension, and Eastern Extension, which are now worked as one system; and the North-Western, Midland of Uruguay, and the Uruguay Northern, worked separately, but from one central office.

The Central of Uruguay Railway, Limited, is an English concern, managed almost entirely by Englishmen, and to the success of which the Republic of Uruguay owes much of its commercial existence. Then there are also the Midland, North-Western, and Northern of Uruguay, constructed with British capital, and although, for reasons hereafter explained, run under great difficulties, rank as of value, owing to the importance of the country which they serve.

The first line of railway actually commenced was from Monte Video to La Union, a distance of about 5 miles, and the concessionaire, Mr. John Biuggeln, announced that he was prepared to find the necessary capital and carry out the construction of the line, the Government guaranteeing 10 per

cent., and allowing two years to carry out the work. His idea in making this line was to bring in the country produce by rail from La Union, where he proposed to found a produce-market and establish a limit for the bullock-carts, instead of allowing them to come all the way into the city of Monte Video, as they then did. The state of the roads between the two extremities was such that the object appeared quite reasonable, both from a practical and a financial point of view; unfortunately, however, both this scheme and another, which was presented by a Frenchman named Eugène Penaut, were entirely given up through a further serious revolution, and it was not until 1864, when a Provisional Governor for the Republic, the celebrated General Flores, elected himself Provisional President, that sufficient confidence was restored, and thoughts were again directed in the channel of railways and other works of public importance.

Once more surveys were made, and finally, in 1866, the Government gave permission for the laying down of a horse tram-line to La Union, and soon after another one was started to the Paso-del-Molino; while a third applicant, this time a Uruguayan, one Don Senen Manuel Rodriguez, presented a proposition to the Government, asking for a concession to build and work a railway from Monte Video to Durazno, and General Flores, who was by no means averse to foreigners coming into the country and spending their money for the benefit of the Republic, once more granted his permission. The railway was to be called the Ferro Carril Central del Uruguay, and it was left to Señor Rodriguez to raise the capital necessary for the line in the country itself.

It might have been supposed that, being a native of the Republic, he would have known something about his own country and his own countrymen, and precisely how much he could get out of one and the other; but he seems to have been lamentably ignorant on this subject, since he was foolish enough to suppose that he could raise sufficient money for his scheme without going abroad for the purpose. He entered into preliminary agreements, and everything went well until the actual moment arrived for handing over the necessary cash. The Government, with a readiness which in itself should have created suspicion, had cheerfully guaranteed 7 per cent. on £10,000 per mile for a term of forty years, the conditions being that the said Government were to have the right to control the Company's books, and in the event of the profits exceeding 7 per cent., the Company was to return 50 per cent. of any excess to the Government, which was also to have the right to intervene in the Company's tariffs when the profits exceeded 16 per cent., with the introduction of one or two other little

demands, such as mails and correspondence to be carried gratis, 50 per cent. reduction on tariffs to be allowed to all Government officials and employees when travelling, and the same reduction on all cargo when for Government service.

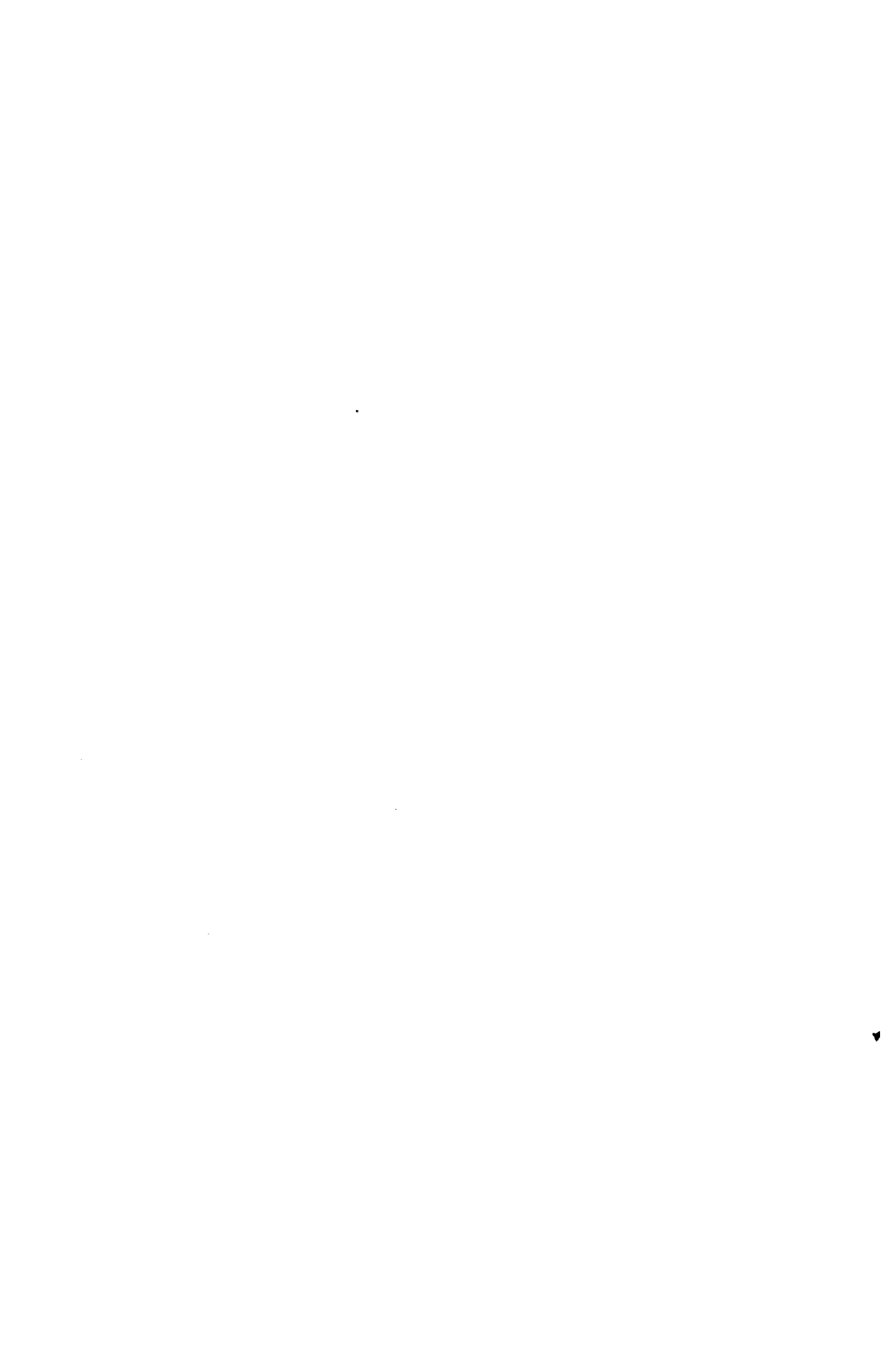
The statutes of the new Company were drawn up, the capital was fixed at \$6,580,000, and it was stipulated that the directors were to subscribe 100 shares of \$235, or £50, each. The directors, however, who were very canny men, and failed to share in the enthusiasm of the concessionnaire, stipulated that they should only take shares in proportion to the amount which was subscribed by the public; and as a proof of how wise they were in their decision, I may say that they eventually only had to take ten shares each. They also stipulated that they were to receive $\frac{1}{2}$ per cent. upon the capital of the Company, which, had the whole of it been raised, would have meant that these eleven gentlemen would have shared between them the nice little sum of £77,000 in directors' fees. This, I may say, was merely in compensation for services in forming the Company, and for their administration during the construction of the line. Their actual remuneration, after the completion of the construction, was to take the modest form of $\frac{1}{2}$ per cent. on the gross receipts per annum for each Director. It is scarcely surprising that such rapacious demands defeated their own object, and the natives of Uruguay showed their great common-sense by refusing absolutely to have anything whatever to do with the railway scheme as then put forward. The directors, therefore, changed their tactics, and although the statutes had been already approved by General Flores, these gentlemen, in view of the better financial position, altered the articles of incorporation so far as they related to their own remuneration and fees. They determined among themselves that they should resign as soon as 5,000 shares had been subscribed, including the 2,000 supposed to have been taken by the Government, and they likewise determined to leave all question of payment of their services to be determined by the shareholders, which, perhaps, under the circumstances, was the wisest thing for them to do. It subsequently transpired, however, that only 3,350 out of the 28,000 shares had actually been taken up, including the 2,000 'voluntary shares' so generously subscribed by the Government, and which, I may add, were several years afterwards returned to the Company, the Government not having paid one single cent. instalment upon them!

In the face of such difficulties as I have mentioned, and of many others to which I have not referred, the Central Uruguay Railway was constructed, and the first year's working is described in an interesting Directors' report, which I have seen, bearing date '1869.' This somewhat pathetic document shows



RAILWAYS OF URUGUAY

Front view of Inspection Train on the Uruguay Central Railway



and repair shop. The running-shed is of the 'round-house' type, with turn-table in the centre. The external diameter is 237 feet, and there is accommodation for thirty locomotives. The turn-table measures 50 feet in length. The general stores-building measures 224 feet long by 91 feet wide, and, in addition to supplying the requirements of the shops, which are in close proximity, affords accommodation for the general stores of the Company.

The locomotive repair-shop building measures 359 feet in length by 146 feet in width, and under one roof provides accommodation for the following: Erecting shop, 220 feet by 53 feet, which has room for about ten engines. There are three pits running the full length of the shop, as also two overhead travelling cranes for lifting and manipulating engines undergoing repairs. The cranes have each a lifting capacity of 30 tons, and are rope-driven. The boiler shop is a continuation of the erecting shop, and measures 139 feet by 53 feet. It is also served by the cranes referred to. Accommodation is found in this section for copper and tin smiths. In the machine shop there is an area available, measuring 150 feet by 93 feet, for the accommodation of machine tools. The smiths' shop measures 120 feet by 93 feet wide, and contains twenty-three forges, four steam hammers, and other machinery. The iron and brass foundry is a very complete one. The space allotted to this measures 89 feet in length by 93 feet in width, and it is provided with two cupolas for iron and also furnaces for brass melting. These shops are exceedingly well equipped with all the necessary machine tools and appliances, which derive their power from a horizontal steam-engine supplied with steam from three multitubular stationary boilers. The same boilers supply steam to an electric-lighting plant, consisting of vertical compound engine and dynamo, of 200 ampères and 120 volts capacity, and a smaller set of 60 ampères and 120 volts capacity.

The following is a list of the principal machine tools and appliances contained in the above building: 1 wheel lathe for wheels up to 6 feet diameter, makers, Shepherd, Hill and Company; 1 wheel lathe, makers, Fairbairn, Naylor, Macpherson and Company; 1 wheel lathe for wheels up to 3 feet diameter, also by Fairbairn, Naylor, Macpherson and Company; 15 ordinary engine lathes, ranging from 8-inch to 14-inch centres, the majority being by Fairbairn, Naylor, Macpherson and Company; 1 quadruple lathe for pin-turning, by Fairbairn, Naylor, Macpherson and Company; 1 small turret lathe, by Selig, Sonnenthal and Company; 1 small capstan chasing lathe, by Smith and Coventry, Limited; 1 No. 3 hexagon turret lathe, by Alfred Herbert, Limited; 1 No. 4 capstan chasing lathe, by Alfred Herbert, Limited; 1 No. 6 capstan lathe, by Alfred

Herbert, Limited ; 1 No. 16 combination turret lathe, by Alfred Herbert, Limited ; 1 large planing machine, by Sharp, Stewart and Company ; 1 planing machine, by Fairbairn, Naylor, Macpherson and Company ; 1 small planing machine, by Shepherd, Hill and Company ; 2 shaping machines, by Fairbairn, Naylor, Macpherson and Company ; 1 shaping machine, by Shepherd, Hill and Company ; 1 shaping machine, by Yorke and Company, Buenos Aires ; 1 slotting machine, by Shepherd, Hill and Company ; 1 slotting machine, by Berry and Sons ; 1 quadruple boring machine, by Fairbairn, Naylor, Macpherson and Company ; 2 screwing machines, by Sharp, Stewart and Company ; 1 screwing machine, by Shepherd, Hill and Company ; 3 large drilling machines, 2½-inch spindles, by Fairbairn, Naylor, Macpherson and Company ; 1 large drilling machine, by Greenwood Brothers ; 2 large drilling machines, by Shepherd, Hill and Company ; 1 large radial arm-drilling machine, by Greenwood Brothers ; 1 sensitive radial arm-drilling machine, by Archdale and Company, Birmingham ; 1 sensitive drilling machine, by Tangye and Company, Birmingham ; 1 slot-drilling machine, by Shepherd, Hill and Company ; 3 emery-wheel grinding machines, by Fairbairn, Naylor, Macpherson and Company ; 1 pin-grinding emery machine, by Smith and Coventry ; 1 universal emery grinder, by Beyer, Peacock and Company, for locomotive work ; 1 twist-drill grinder ; 1 hydraulic wheel press, by Tangye and Company ; 1 Francis steam-driven air compressor for pneumatic tools, by the Ingersoll-Sergeant Drill Company ; 4 Little Giant pneumatic drills ; 4 Boyer pneumatic hammers ; 2 pneumatic wire-rope hoists ; 1 portable valve-port facing machine ; 1 punching and shearing machine, by Greenwood Brothers ; 1 large punching and shearing machine, by Tangye and Company ; 1 heavy forging machine, by S. Ryder and Son ; 1 small forging machine, by Fairbairn, Naylor, Macpherson and Company ; 2 10 - hundredweight steam hammers, by B. and S. Massy ; 1 15-hundredweight steam hammer, by B. and S. Massy ; 1 5-hundredweight steam hammer, by B. and S. Massy ; 2 Roots blowers, by Thwaites Brothers, for smithy and foundry purposes ; 1 cold-iron sawing machine.

Among the foregoing I may draw attention to the lathes by Alfred Herbert, Limited, four of which have been recently acquired by the Company, representing in every respect all that is most up to date in this class of machinery. The introduction of high-speed steel, I am informed by Mr. P. Sedgfield, the Locomotive Superintendent, is rapidly rendering many of the older machine tools obsolete, and the necessity of replacing them by more modern and efficient tools is receiving his and other railway engineers' constant attention.

The carriage and waggon building and repair shops are no less worthy of detailed description. The main building measures 205 feet in length by 150 feet in width ; but a portion, 150 feet by 41 feet, is partitioned off, and serves for carriage painting and varnishing. The main portion of the building is provided with all necessary wood-working machinery, among which the following is a list of the more important tools : 2 mortising and boring machines, by Ransome and Company ; 1 horizontal mortising machine, by Greenless, Chicago ; 1 double-spindle horizontal boring machine ; 1 emery-cutter grinder, by Ransome and Company ; 1 circular saw, by Richards and Company ; 1 hand-feed planing machine, by Richards and Company ; 1 circular saw, by Ransome and Company ; 1 sand-papering machine, by Ransome and Company ; 1 double-spindle moulding machine, by Ransome and Company ; 1 wood-turning lathe, by Ransome and Company ; 1 copying lathe, by Ransome and Company ; 1 grinding machine for moulding irons, by Ransome and Company ; 1 emery saw sharpener, by Ransome and Company ; 1 vertical double-spindle boring machine ; 1 small panel planing machine, by Richards and Company ; 1 large planer, by Ransome and Company ; 1 combined general joiner, by Chelsea and Company ; 1 large circular saw ; 1 log frame saw ; 1 double deal frame saw, by Ransome and Company ; 2 large band saws, by Ransome and Company ; 1 tying-up machine, by Ransome and Company ; 1 drilling machine, by Greenwood ; 1 sleeper boring and adzing machine, made by the C.U.R. Company ; 1 Universal wood-trimmer, by London Brothers.

Probably no body of railway employees have less reason to feel dissatisfied with their lot than the men on the Central Uruguay Railway. The staff not only treat them and all the Company's servants with great kindness and consideration, but listen to and carefully investigate every complaint, no matter how trivial it may be. Mr. Frank Hudson, the General Manager of the line, is both respected and liked. He has been connected with the Uruguay Railway for over thirty years, having come out in 1872 in a minor capacity. It was on January 1, 1899, that Mr. Hudson became Acting General Manager, being promoted from the post of Locomotive Superintendent when Mr. Frank Henderson, who had been in sole charge up till then, was promoted to the position of General Manager of the Buenos Aires Great Southern Railway, a post which he has lately resigned. Mr. Hudson's appointment as General Manager was shortly afterwards confirmed, and Mr. C. W. Bayne, an exceptionally able and hard-working official, was appointed Manager's Assistant (sub-administrator) in 1902. Mr. H. A. McIntosh, the resident Engineer, has been connected

with the Company for many years. Mr. T. M. Temple, the Traffic Superintendent, and Mr. P. Sedgfield, the Locomotive Superintendent, are both old and valued officers of the Company, and to all these gentlemen's administrative ability may be largely credited the generally proficient manner in which the line is worked.

The Midland Uruguay Railway Company, which has been in existence for a good number of years, is, strictly speaking, a prolongation of the Central Uruguay from the Rio Negro in a north-west direction to Paysandú and Salto, a total distance of 198 miles. The line from Salto to Cuareim, the property of the North-Western of Uruguay, although a separate and distinct Company, is under the same management as the Midland and Northern. The first-named line was begun in 1888, and the final section completed to Salto in November, 1890. The concession was originally granted by the Government of Uruguay for a railway of 196 miles. There was a keen desire on the part of the Government to have this line made for strategical and other reasons, and therefore it consented to a guarantee of 7 per cent. per annum for a term of forty years, commencing from the opening of each section of 50 kilometres upon a capital of £5,000 per kilometre, or, in the aggregate, £1,585,180. The actual cost of the Midland line works out at £1,779,000, or, say, an average of £9,080 per mile. The Government's guarantee, if it had been paid in full, should, therefore, have amounted to £111,000. The Company only received the actual amount of this guarantee for three years, after which the 7 per cent. was cut down to 3½ per cent., but this has been paid with regularity. By the terms of the original contract with the Government the latter has the power to purchase the line after twenty-five years from the commencement of its working 'at the just estimate of its value,' with 20 per cent. profit added. The total capital of the Midland Uruguay Railway Company, including both shares and stock, stands to-day at £1,850,000, there being £70,538 debenture stock still unissued.

The last section of the line was opened as far back as November, 1890, but the history of the Company had been rather discouraging from the beginning. From 1892 to 1893 only 1 per cent. dividend was paid on the ordinary shares; for 1903-1904 and for 1904-1905, 2½ per cent.; for 1895-1896, 1½ per cent.; and for the seven years to 1902-1903, nothing. For the last year, 1903-1904, the gross receipts showed a small increase to the value of £1,925, but the working expenses also went up slightly, namely, £91, leaving a net profit of £3,583, as against £1,750 of the year before. After 4 per cent. interest had been paid on the debenture stock, which

absorbed £47,178, and the sum of £606 had been written off for expenditure on new works charged to revenue account, there remained a balance of £14,743. This amount the Directors handled as follows: The sum of £8,845 was set aside for the payment of extra interest on the debenture stock at the rate of $\frac{1}{4}$ per cent., and £5,897 was carried forward. The traffic receipts naturally suffered greatly from the country being overrun by armed rebels, and the Government is being fondly looked to by the Company to pay for the injury inflicted and damages done. It claims £13,856, and only a portion—a very small one—has been paid by the Government. The Company hope that 'the payment of the balance will not be long delayed.'

No one can travel over the Midland Railway of Uruguay without arriving at the conclusion that the running of a railway enterprise in a South American Republic which is peculiarly subject to revolutions offers few attractions. Considering the richness of the country through which the Midland line travels and the solid hard labour put into the management by Mr. Allan Darton, the General Manager, and his hard-working staff, the railway ought to prove a remunerative enterprise to its shareholders; but, as will be seen by the above figures, such has been anything but the case. The Midland (Uruguay) includes, as I have above said, the North-Western and Northern of Uruguay Railways, the three all being worked together under one management, with the head office of the Midland at Paysandú, and the others at Salto Oriental, where there are two stations at opposite sides of the town. It is rather a wretched-looking town, but nevertheless it has a population of about 12,000 people. In the whole State of Salto there are about 32,000 people, of whom not quite two-thirds are natives. There are a large number of foreigners living at Salto, exceeding, I am told, 10,000, of whom about half are Brazilians and engaged in the cattle trade. Salto is situated 306 miles by water from Buenos Aires, and there are several steamers weekly up and down, a fact which, of course, interferes with the railway's freights.

There are a good many estancias owned by Britishers round and about the town of Salto—for instance, at Puntas Dayman, Itapeby, Tangurapa, Palomas, and Guaviyu, all of which are within a radius of 40 miles of Salto. The Midland Railway also serves Paysandú, an exceedingly rich Department of the Republic, which stretches along the Uruguay River as far north as the Dayman, and is abundantly watered by the Queguay and other streams. In passing through this district from end to end, I was much impressed by the attractive, undulating character of the country, its rich pastures, well stocked with fine-looking cattle, and the number of apparently prosperous

estancias. The homesteads were, however, anything but imposing in appearance, and bore the appearance of neglect in many cases, and injury—no doubt by Revolutionists—in others. The native Uruguayan's 'home' is a very poor place indeed.

The chief town of Paysandú, which bears the same name, is a quaint old place, having been founded by a Jesuit priest, or 'pay,' called Sandú. To a certain extent the glory of Paysandú has departed; some 150 years back it was the centre of a large and thriving silk, lime, and poultry district, all of which trades were carried on to a large extent. But the internecine wars being continually waged destroyed much property, and dispersed the industrious inhabitants. The names of two Scotchmen are indelibly connected with this part of the country—that of Mundell, who had several times been Intendente, or Mayor, of Paysandú, and who could always summon to his aid 10,000 men whenever he wanted them; and Major McEachan, who was also Intendente for three or four years, and who finally cleared the Department of the many roving bands of thieves who infested it.

The Midland Railway's Salto line joins that of the Central Uruguay Railway at Rio Negro, which is also the name of the Department, and is likewise possessed of some very valuable land, found to be excellent for cattle-raising. There is no question that most of the Midland Railway misfortunes have been due to the acts of wilful damage committed by various Revolutionists. If I had not myself seen evidence of the damage they had done again and again to the Company's property, I would not have credited the danger and menace which these people mean to the innocent foreign property-owners. I say 'foreign,' but perhaps I ought not to discriminate, since property of every description, even that belonging to the nation and to their own friends who may happen to be on the 'other side,' is wantonly sacrificed.

The last annual report of the Directors of the Midland Uruguay Railway refers very briefly to the damage sustained during the 1903-1904 Revolution, merely remarking: 'During the hostilities the Company's property suffered some damage; repairs of a temporary character were, however, promptly undertaken, and the Company has, with the exception of brief interruption, been able to cope with the large Government traffic, and at the same time to maintain the public service, when permitted by the authorities.' There is a great deal more in this simple paragraph than meets the eye, and it must be read in conjunction with the fact that the Directors have no desire to unnecessarily alarm the shareholders or to offend the Government. I noticed this desire very frequently displayed



SOUTH AMERICAN ABORIGINAL TYPES

Group of Indians from Terra del Fuego, extreme South of Argentina, with their bows and arrows used for hunting

by the Companies who are established in South America, and who practically depend upon the goodwill of the powers that be. It is, no doubt, quite comprehensible, although rather pitiable.

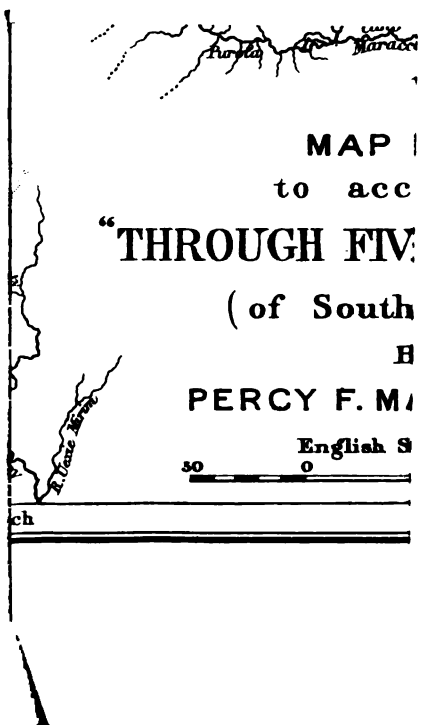
A little lower down on the same page of the same report, however, occurs this item: 'The expenses for the year include a sum of £4,000 under the head of maintenance of way and works, as the estimated cost of reconstruction of damaged bridges and arrears of maintenance works caused by the Revolution.' Some of the damage done to the Salsipuedes Bridge during the last Revolution was most reckless. Here not only was the bridgework itself seriously damaged, but practically every sleeper had to be taken up and renewed, and the supports of the bridge, resting upon solid masonry blocks, also had to be renewed. The Chapicuy Bridge was also blown up with dynamite by the Blancos during the same Revolution. The idea was to disable the principal supporting columns so as to prevent any train from crossing, and the attempt proved partially successful. All necessary repairs have been now completed, and since February of this year trains have been running as usual, the bridge being in perfectly good condition. The Quebracho Bridge was another fine structure exploded by dynamite. The cartridges were placed underneath the bridge on the columns, and, strangely enough, while these latter were destroyed, the rails remained on the upper work of the bridge, but have, of course, had to be relaid entirely. Perhaps the most serious damage of all was that done to the Chingolo Bridge, on the Midland line, a fine erection of iron and wood, supported upon iron columns, and resting at either end upon solid masonry embankments. Both the stonework and the ironwork were damaged, the explosion taking place under the north abutment. Not only was damage done to the bridge itself, but at the time of the explosion some of the coaches happened to be passing, and although they remained on the bridge, they were derailed and, of course, seriously injured. Some very remarkable incidents took place in connection with this Chingolo Bridge explosion. The engine, after passing over the bridge safely, became derailed, and broke the couplings of the coaches behind, but did not fall over the embankment. Some of the carriages became derailed just after crossing the bridge, but fortunately in this 'accident' no one was hurt. In all, the Midland Railway had seven bridges blown up by dynamite, the North-Western had two, and the Northern one.

I give a few photographs of the line, showing damage done to the track, the bridges, and the rolling-stock, which afford some little idea of the methods of the Revolutionists in Uruguay.

The Midland Company has from time to time added to its rolling-stock, which is in sufficiently good condition. During the past year the Company replaced 15,579 pine-sleepers with some of a much harder wood. There are also a number of new waggons lately received, which will be used for cattle and other traffic. These have been paid for out of the 'casualty renewal and rolling-stock fund'; about £200 odd have been spent on new fencing for the line, and nearly £400 on a new small station.

That the railway is not working to anything like its full capacity can be judged by some figures to be found in the revenue account for the year ending June 30 last. Only £15,129 was received from passengers, but, small as this seems, it is nearly £4,000 better than the previous year. Parcels and luggage brought in £1,375, as against £1,661 for the previous year, while goods traffic fell off by nearly £5,000 for the same period. Animals also show a reduction from £8,078 to £6,916, and decreases are to be noted equally in telegrams (the Company having the right to accept and despatch telegraph messages), wharfage, rents, etc. On the other hand, the hire of rolling-stock, probably for revolutionary or Government purposes, brought in £1,133, as against £931, and the curious item occurs, 'detention of rolling-stock and sundry receipts,' £5,330 for 1903-1904, as against only £560 for 1902-1903, which proves that revolutions, after all, have their profitable side. The Government's guarantee, as from July 1, 1903, to March 31, 1904, has brought the Company in for this year £41,610, and the guarantee which has accrued from April 1 to June 30, 1904, a further £13,870. The guarantee due on August 1, 1905, of the Northern and Midland Companies has been paid also.

I think the shareholders of the Midland Railway Company may be congratulated upon the manner in which the Company's accounts are presented to them. The South American Railway Companies' annual reports are frequently both instructive and useful even to those who may have no holdings in the Companies themselves. Although the balance-sheet of the Midland Company in itself is not particularly cheery reading, it shows exactly how the Company's resources have been expended, and affords abundant proof that, were the attendant circumstances less unfavourable, the enterprise could and would be run to the fullest advantage so far as the management is concerned. A more economical and careful supervision of the Company's interests it would be difficult to find; and when one considers the many difficulties and the disheartening disappointments which Mr. Allan Darton, the General Manager in Uruguay, must occasionally meet with, it is impossible to resist a feeling



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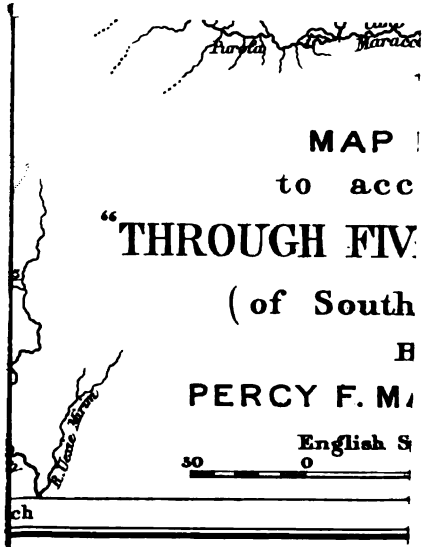
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PART V

VENEZUELA

CHAPTER I

The Republic of Venezuela—Early Spanish Conquest—Constitution—President Cipriano Castro—His career—Revolution against Andrade—Venezuela's debts—International questions—A Latin-American league—A new Utopia with President Castro as Picrochole

THE invaluable Columbus discovered Venezuela, and for 500 years the Spaniards ruled—or misruled—in the land. As was usual with Spain in those days, it commenced its civilization by vigorously warring against the Aborigines, and after their Chief, one Guicaipuro, was killed, peace more or less reigned. As a sample of the Spanish clemency, it may be mentioned that twenty-one of the most powerful chiefs, having been bribed to submission upon promise of pardon, had no sooner been received in the Spanish camp than they were all court-martialled and put to death. Practically from that time forward the Spaniards were left unmolested. For nearly 300 years Venezuela then remained loyal to the Spanish colony; but in 1806 human nature could stand no more from the civiliziers, and the people revolted against the brutality of the Spanish yoke. Independence was declared on July 5, 1811, and numerous cities and towns and streets throughout the Republic bearing the name 'Fifth July' supply testimony to the fact.

At one time Venezuela and Greater Colombia were one Republic, but in 1830 Colombia dissolved relationships in much the same way as Uruguay broke away from the Argentine.

Venezuela might be one of the most progressive and prosperous States of South America, instead of which it is one of the least. There is practically no limit to the natural resources of the Republic, and if permanent peace were but established, and something like a decent Government introduced, the country would probably astonish its inhabitants and the rest of the world by its great productiveness from natural resources.

The greatest drawback from which Venezuela suffers, however, is similar to that which operates against the permanent success of Brazil, and this is the strong Indian element. One can trace the lineage of ancient inhabitants in the faces of most Venezuelans to-day. As a race they are physically unattractive, being short, very dark—in fact, swarthy—with lank black hair, beady eyes, and somewhat morose dispositions. That Venezuela will ever rise to the same rank of social settlement as the Argentine, Chile and Uruguay, may be doubted.

The present National Constitution of Venezuela was introduced as lately as April, 1904. The Republic is made up of thirteen States, composing a Federal Union. Each State has its own constitution, while the National Constitution provides for a separate but co-relative existence of the three powers forming the Federal Government and those of the States of the Union, the constitutions of the various States being based on the same Republican representative Federal system, in accordance with the principles, declarations, and guarantees of the National Constitution. Briefly, therefore, it may be said that the States which form the Venezuelan Federation are ruled by one and the same laws in regard to civil, criminal, fiscal, military, and educational matters, and it follows that all the public Acts and jurisdiction of one State are in full force in the others.

Venezuela has come so much to be regarded as the special playground of President Castro, whose acts have been those of a Dictator rather than President, that it may be as well to define what the legal powers of the President are. They are wide enough, and yet they are circumscribed. The reason that President Castro has been able to do as he likes is that he has repeatedly violated the oaths which he took on becoming President, and which I had the pleasure of hearing him repeat at the time of his opening Congress.

In 1897 Cipriano Castro had never been heard of; but towards the end of that year he left his cattle-ranche, where he pursued the peaceful but unprofitable occupation of cow-herd, and hied him to Caracas. He took to politics as naturally as a duck takes to water, and by his eloquence and push he greatly assisted General Andrade to become President. The following year Castro came back to Caracas to receive, as he thought, an ample reward for his services; but President Andrade had forgotten his humble worker, and not only refused him any appointment, but declined also to see him. Castro found out the truth of the injunction 'Put not your faith in Presidents.' He became angry, and striding into the Plaza Bolivar, he struck an attitude. A crowd immediately gathered, as crowds will, and to the assembled multitude Castro de-

nounced the base ingratitude of Presidents in general and of Andrade in particular. 'To-day,' said he, with appropriate dramatic gesture, 'I go hence; yet before twelve months have come and gone I will return, but as President of Venezuela.'

He proved as good as his word. In October, 1899, he *did* return, and with a small but determined army of revolutionists he hunted Andrade out of the 'Yellow House,' out of Caracas, and out of the Republic. He then assumed complete control, and still maintains it. It was not, however, as President that Castro took office. He knew quite well that by the laws of his country a President can only hold office for a term of six years, and cannot be re-elected for the term immediately following; so the wily little man proclaimed himself Dictator, and it was only in February, 1902, that he became President. It will thus be seen that his term of office cannot end before 1908, by which time, I have very little doubt, he will have altered or distorted the law of the country so as to enable him to remain President until further notice.

The powers vested in the President are very considerable. He appoints and removes from office all Cabinet Ministers; he exercises superior civil and political authority through a Governor in the Federal District, and he takes very good care that the Governor carries out his wishes, or he does not remain Governor very long; he administrates the Federal Territories according to law—more or less; he conducts war personally, or appoints who shall do it.

President Castro is a brave soldier, and has proved his merit time and again. He therefore enjoys the full confidence and even the admiration of the people, and although several attempts upon the part of ambitious politicians have been made to oust him from office, Cipriano Castro has an enormous backing from among the people themselves. By the commercial and trading class he is thoroughly distrusted and detested. His Excellency is realizing the truth of the adage, however, that 'he who lives by the sword must fight by the sword'; and his life can scarcely be a happy one, since, in spite of his bravery, he is an exceedingly nervous and excitable man. Certainly, no one, to look at President Castro, now in his forty-sixth year, with his solemn, dark face and almost habitual frown, his close-cropped hair and beard, and the apprehensive glance of his quick black eyes, would take him for the doughty warrior that he is. Whenever he moves abroad he is conveyed by an escort, and his bodyguard of sycophants and office-holders scarcely leave him for a moment. Several attempts have been made upon his life, and one day some fanatic may lay him low.

Some of President Castro's movements read more like comic opera than real serious actions. As the whole world knows,



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Sea Wall at La Guayra, Maiquetia end



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Street Scene in La Guayra, looking East

the Republic of Venezuela is on the verge of bankruptcy. It has been so for some years past, and is sinking deeper and deeper into the mire. On one occasion, when trying to raise another loan in Europe, the President declared that Venezuela was solvent, and he tried to induce the financial world to believe it; but so soon as the European creditors demanded payment of their long-deferred debts, the President discovered that the Republic's finances were in a very bad way. He suddenly remembered that the country had suffered from a severe drought, and that several crops had been lost; but he omitted to mention the fact that before the drought and when the crops were being reaped in the ordinary way he still denied the country's ability to pay its debts. At the present moment the country is practically in debt to every European nation, either in the way of unredeemed bonds and arrears of interest, or damages awarded against it for absolutely illegal and unpardonable offences against public property. The external debt of the country amounts to £2,638,200, while another loan floated in 1896 for £1,932,967 is also outstanding. The arrears of interest in the one case amount to £494,662, and in the other to £552,896, or a total arrears of interest of £1,047,558.

These sums are entirely independent of the internal debts of the Republic, which have been augmenting since 1826, and include 'Revolution' debts, floating debts, consolidated internal debts, waterworks debts, and numerous others, amounting to about 40,000,000 of bolivars. The crises which took place in 1902 and 1903 will be still fresh in many of my readers' minds. Things had come to such a pass that the Governments of Great Britain, Germany, and Italy combined to enforce a settlement, and, with the assistance of the United States of America, this was finally arrived at. In January, 1903, after the three Powers referred to had blockaded the Venezuelan Ports, Protocols were signed at Washington by the representative of Venezuela agreeing to set aside for payment of 'all claims against the Republic' 30 per cent. of the Customs receipts at La Guayra and Puerto Cabello. The blockade was then raised. The first obligation of the Protocols consisted in paying \$501,204, of which \$344,753 went to Germany, \$28,676 to Great Britain, and \$27,775 to Italy. Other important questions are still open, and will probably take a long time to definitely settle, among them being the important question of closing the navigation of the Orinoco River to all vessels coming from the British West Indies, which is in direct defiance of existing commercial treaties. This, then, is the financial position of Venezuela to-day, and it promises to become still worse, for it is practically impossible with the present means at their disposal that the Government can find the funds to pay off its most pressing

external debts, and carry on efficiently the government of the country at the same time. The people are already cruelly over-taxed, and cannot bear any additional strain.

The closing of the Orinoco River to West Indian trade was aimed especially at Trinidad, because it was at Port-of-Spain that all the plots against Venezuela were hatched; where most of the money was subscribed for the Revolutionists; where all these latter fled for protection; and where the Headquarters of President Castro's enemies were situated.

Many and serious are the questions which have arisen between the President of Venezuela and the United States Government at various times; but in common fairness to the former it should be stated that fundamentally the South American Republic is justified in the latest actions which it has taken, more especially in regard to the two important issues of the New York Bermudez Asphalt Company and the expulsion of Mr. A. F. Jaurett.

It is because I believe that the Venezuelan side of the matter has never yet been put independently before the public that I refer at some length to these matters.

To take the first. The New York Bermudez Asphalt Company own one of the richest asphalt deposits in Venezuela. The deposits are situated at Carupano, in the State of Bermudez, and nearly all the shareholders are British subjects. They have built a railroad from the mines to the shore of the lake, and ship between 2,000 and 2,500 tons of the crude and refined asphalt monthly. Had the officials of the Company confined themselves to working the deposits of which they are the managers, probably no trouble would have arisen; but there can be no question whatever that some among them have taken part in politics against the present Government, with the result of getting themselves and the Company into serious trouble. Proofs are claimed by the Government to exist which show that the Company had actively supported the rival candidature of General Matos, who has for years been in active revolt. President Castro justifies his action in confiscating the property of the Bermudez Asphalt Company by Article 7 of the Alien Law. This reads as follows:

'Resident foreigners who violate any of the provisions established in Article 6 lose their condition of foreigners, and become, *ipso facto*, subject to the responsibilities, burdens, and obligations which might be incumbent on natives through interior political contingency.'

Article 6 says: 'Resident and transient foreigners must not participate in the political affairs of the Republic, or anything in relation to the said political affairs.'

No doubt the New York Bermudez Asphalt Company will

say they have *not* violated Article 6 or any other Article; but until this matter is definitely decided the United States Government cannot rightfully interfere. I may here mention that the Venezuelan Courts have investigated the matter, and have found the Company guilty. I do not place great value upon a Venezuelan Court's finding one way or the other, but the Government can at least claim that the matter has been tried and adjudged by a competent tribunal.

In regard to the expulsion of Mr. A. F. Jaurett, whom I knew very well and personally liked, and admired as a clever writer, there are also facts which have been suppressed. This is not surprising, considering that Mr. Jaurett is the author of most of the journalistic statements which have so far found their way into the press. Reuter's representative has acted as Mr. Jaurett's mouthpiece, and describes that gentleman as 'an American citizen who was recently expelled from Caracas.' If the correspondent had gone further, and stated that Mr. Jaurett was also the Proprietor and Editor of an English newspaper, published in Caracas, called the *Herald*; that Mr. Jaurett had acted as correspondent in Caracas for several New York and London newspapers; and that during the time of his residence he had first supported, and then persistently attacked and abused, both the President and the Government, he would have afforded the public some idea as to *why* Mr. Jaurett was eventually expelled.

Again, the Venezuelan Government has ample authority for its act. I would refer my readers to the existing Venezuelan Alien Law, which was sanctioned by Congress on April 11, 1903, and which contains the following important and pertinent stipulation under Article 6:

'1. Resident and transient foreigners *must not edit political newspapers or write about the interior or exterior politics of the country in any newspaper.* . . . 'Resident foreigners who violate any provisions established in Article 6 lose their condition of foreigners,' etc., as before quoted.

Article 9 states further:

'Transient foreigners who violate the provisions of Article 6 *shall be immediately expelled* from the territory of the Republic.'

One of Mr. Jaurett's principal causes of complaint was (*vide* Reuter's telegraphic report of January 17, 1905) that 'he was served with notice of expulsion at 8.30 on the morning of Sunday, November 13, 1904; that no reason was given; that he was simply told to quit the country within twenty-four hours; and that at 7 a.m. on Monday, the 14th, he left.' It will be seen from Article 9, which I have quoted, that the Government were perfectly justified in 'immediately' expelling Mr. Jaurett for having violated the terms of the conditions

under which he, as a 'resident foreigner,' lived in the Republic. I have in my possession several copies of Mr. Jaurett's paper, the *Herald*, published in the early part of 1902, and which contain several most violent fulminations against both the President and the Government. I wish particularly to call attention to the fact that President Castro might have at that time felt inclined to expel Mr. Jaurett, but he could not do so because there was no law in existence to authorize such an act. But in April, 1903, the Alien Law was passed, and this gave the President the very powers which he had hitherto lacked.

It is impossible that Mr. Jaurett, who speaks Spanish as well as a Spaniard and who had lived eight years in Caracas, should have been unaware of the passing of the new Alien Law, and therefore to have violated its provisions as he has done gives him no claim upon the assistance of his Government.

I do not say that Mr. Jaurett in his statements, either in his own paper or in the papers which he represented as Special Correspondent, did not set forth that which he believed to be perfectly true—it probably was; neither do I say that his condemnation of the Venezuelan Government was unmerited. But the fact remains that he was violating a provision of the laws under which he lived, and for that he has been made to suffer.

As an instance of how President Castro is abused in some of the North American papers, I quote the following from the *New York Herald* of January 21, 1905, from its Correspondent then at Caracas: 'The private life of the President is by no means exemplary, and even his most ardent admirers could hardly approve of his revelries when he seeks diversion from the State. He is an early riser, eats sparingly, but drinks more than a bottle of brandy a day.'

I question whether any high-placed Governor, reading this libellous statement and having the power to punish the writer of it, would hesitate to avail himself of the opportunity. If this is so in a constitutional country, how much more probable is it in an autocratically-governed Republic like Venezuela to-day?

The Venezuelan Government has already quite sufficient sins to answer for without having to bear the onus of other charges which are unfair, and this is the only reason that has actuated me in setting forth the above facts as fully and as impartially as I have.

President Castro is very fond of heroics, and anything dramatic or sensational appeals to him. Some of the sesquipedalian words in his public proclamations and speeches remind one rather forcibly of the orations of Bombastes Furioso; he is never satisfied unless he refers at least half a dozen times in the course of a document or oration to the influence of the



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La Guayra. View of Sea Wall taken from East



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REVOLUTION IN VENEZUELA

Revolutionists shot down by Government Troops



Deity, who, if President Castro may be believed, has a special predilection in favour of Venezuela.

Some months ago some enthusiastic patriots conceived a Latin-American League, whose headquarters were to be (and I believe still are) at Caracas, and whose objects are to form one big united Nation of all the South American States, which 'should work together as a unit to develop the natural resources of the country.' President Castro, who claims to have originated the idea, is strongly in favour of this League, which, however, is not sufficiently advanced to decide as to the question of who should become its first Head. If ever it does progress thus far, it may be taken for granted that President Castro will want to be that Head.

In the meantime he has bestowed his fervent blessing on the undertaking, expressed in the following exalted and perfervid passage: 'I address you in support of the great and noble object by which I was actuated when I addressed Minister Herboso concerning the events which were then the cause of agitation between Venezuela and Colombia. It would seem as if Venezuela were predestined to be the pedestal on which the greatness and Liberty of a Continent should rest. She has to-day begun the work of creating that most perfect and complete union which should exist among the Republics of an entire continent, that is to say, the largest and Most Powerful Nation of the Globe, under the form already suggested by me—viz., a Confederation. You will always have the glory of having founded the first patriotic assembly, not only of this Republic, but also of that Continent which is invited to avail itself of this grand idea. Should no good result come (and certainly none has up till now), you will have the satisfaction of having given your efforts to realizing the Greatest Thought of the Century, which will serve as a pedestal for the greatness and prosperity of the South American Continent.'

The Latin-American League is an admirable idea, no doubt, but before it could ever be carried out, even as far as the initiatory stages, the numerous petty jealousies and deep racial hatreds which at present predominate in South America, and prevent even the most ordinary inter-State courtesies and amenities from being exchanged, must be radically uprooted and destroyed. There is just as much chance of this taking place as of the millennium, and the two events may be expected to transpire simultaneously. General Castro would no doubt establish a new Utopia and enact the part of a Picrochole.

CHAPTER II

Natural advantages of the country—Climatic conditions—Trade and its prospects—Monopolies—To whom granted—Price of beef—Sugar and sugar factories—Growing cacao and making chocolate—Tobacco-growing—Consumption of cigarettes—Cotton and its manufacture—British supremacy—Germany's stake in Venezuela—Commercial probity—Mineral production—British miners from British Guiana—The Monroe Doctrine—The United States of America and the South American Government—An absurd position

I KNOW of no country in the New World which has more or finer rivers than Venezuela. It has no 'Amazon,' it is true, but it possesses the Orinoco, which, if less long, is certainly more picturesque. In all there are some 1,059 rivers in this Republic, among them, besides the Orinoco before mentioned, the Apure, the Portuguesa, the Uribante, the Guanare, the Sarare, the Marparro, the Masparrito, the Santo Domingo, and the Cojedes. Many of the lakes—of which there are also several of fine and picturesque dimensions—are much used for internal traffic. The Lake of Maracaibo, which is practically a sea, has an area of 17,500 square kilometres. Lake Valencia has an area of 559 square kilometres. There are seven principal rivers and thirty-three second-class, while there are also 3,020 miles of coast-line.

Enormous as Venezuela is—being four times as big as the whole of Central America—there are less than 3,000,000 of people to inhabit it. The last census showed a population of but 2,633,671, and probably this has rather diminished than augmented; it gives an average of 1·69 inhabitants to the square kilometre. Over 150,000,000 could live easily in Venezuela without in any way crowding upon one another, as even then there would only be an average of 96·60 inhabitants to the square kilometre.

It can be very hot and very cold in Venezuela; but taking the country as a whole, it is both healthy and exhilarating. People live to an older age, on an average, than in any other South American and many European countries, centenarians being very frequently met with. There are no spring and no autumn, only winter and summer, with, in other words, a dry and a wet season. When wet in the mountainous region, the atmosphere feels almost Arctic.

In view of the unsettled condition of the country and the undercurrent of political agitation against the existing order of Government, it is surprising that trade and commerce continue as strong as they do. The inherent richness of the country, however, asserts itself, and should serve to prove how great a factor among the world's producers Venezuela could become were it not for its internal troubles. Were a different policy pursued, the individual would benefit more than he does at present. The improved export figures do not reflect more than they show. Apparently, trade is still increasing; but monopolies are growing, and the increased exports mean additional wealth for a favoured few rather than a general and widespread prosperity. Of late years the Government has granted an immense number of monopolies. These exist in such articles as cattle, meat, flour, matches, and even salt. The beef monopoly has resulted in the price of meat going up from 8 to 14 cents a pound, and this in a country where cattle is bred and forms one of the principal articles of export. A further testimony to the injury affected by these unfair monopolies is afforded by the judicial returns, showing that 70 private concerns out of a total of 114 foreign businesses established in the Republic have either gone into liquidation or have suspended operations, 12 have been ruined by concessions and monopolies being revoked, and several others have been jeopardized by Government-aided competitors being launched against them. It must, however, be remembered that the owners of these latter enterprises are only suffering from a treatment which they themselves had invoked and aided against other rivals. It is a question of the biter being bitten. The majority of the monopolists are, and have been, citizens of the United States of America and Germany.

Many labourers find regular occupation on the sugar plantations, since the cane grows everywhere in the country except in the mountainous regions, and the sowing and reaping are so arranged as to keep the plantations under cultivation all the year round. Constant irrigation has to be resorted to, but in a land so bountifully supplied with water this is easy enough.

Venezuela produces a large quantity of very good sugar, the climate and soil being very favourable. There are four kinds grown, namely, the indigenous cane called *criolla*, the *otaiti*, the *batavian*, and the *salangore*. The first named is the sweetest, and therefore the more largely cultivated. Each plantation is divided off into squares, very similar to some of the estates in Jamaica and Barbados, roads running between so as to enable the cane-waggons to pass through. In Brazil, on the other hand, nearly all the large estates have light tramway lines running through the ground at certain parts. A good deal of

sugar machinery, mostly from the United States of America and France, is found on the plantations, the owners going in extensively for using the by-products, such as molasses. Alcohol and rum are made to a very large extent. Most of the supplies come from the neighbourhood of the Capital, the annual output being from 10,000 to 15,000 loads, or, say, between 800,000 and 1,000,000 bottles. The output of sugar amounts to about 3,000 loads of brown, weighing 305,000 kilogrammes (a kilogramme=2·2046 pounds). The largest and most productive of the sugar factories is at Maracaibo, close to the Lake of that name. A superior kind of sugar is made here, and is put up in boxes in tablets, each box containing 46 kilogrammes. Refined sugar is turned out here by means of a splendidly-equipped plant, which cost some £100,000. Another factory, making granulated sugar, near La Guayra, is also well fitted up, and does an increasing trade; while a third is situated at Guatire, in the State of Miranda.

Cheese and chocolate are manufactured successfully in the Republic, and some years ago a large and increasing trade was done in both with European houses. The native cheese, called 'llanero,' and that known as 'maracay,' are delicious, and have a peculiar kind of flavour, due to the herbage upon which the cattle are fed. A heavy duty—prohibitive, in fact—upon foreign chocolate has fostered the manufacture of this in Venezuela, where the people are very fond of it and consume immense quantities. Much of it is exported, and Italy takes quite an important supply every year. There are two large factories in Caracas which purchase all the raw material—cocoa and sugar—in the immediate neighbourhood. Cigars and cigarettes are also made upon a large scale, the Venezuelans, like all South Americans, being inveterate smokers. The tobacco-leaf is grown locally, and also imported from Cuba. It is estimated that some 50,000 boxes and packets of cigarettes are consumed daily in the Federal District alone, each packet containing fifteen to twenty cigarettes, so that about 900,000 are smoked every day. An American firm for years has been endeavouring to secure a monopoly of the cigarette trade in Venezuela, and although President Castro is in favour of the monopoly—the 'insult' to himself having been sufficiently large and generous—even he hesitates to interfere with the smokes of his faithful subjects. It would be equivalent to Mr. Gladstone's ill-advised and suicidal act of 'robbing a poor man of his beer.'

Cotton-goods manufacturing has, since 1899, been an established industry. The idea and machinery came from North America, as well as most of the raw material. There is a very fine cotton factory at Valencia for cotton cloth, and the industry

is well protected by heavy duties on all foreign cotton goods, which nevertheless find their way in. Besides the manufactories I have mentioned, there are several tanneries and saddle-making houses (nearly every Venezuelan rides on a native-made saddle), three or four match factories (nearly all the property of one monopolist), a paper factory (also a monopoly for twenty years), a porcelain, glass, and pottery manufactory (another monopoly for fifteen years), shoe factories which sell all they make locally and export nothing, and factories of other kinds of goods. The breweries, of which there are but two, are German; the bakeries are nearly all owned by French capitalists; the electric-lighting plants are American. Quite lately the electric plant in Valencia, hitherto belonging to an American Company, was sold to some English and Venezuelan capitalists. There are some eight different medicine factories, a marble quarry, two cocoanut-oil factories, four soap factories, and four candle factories, all of which are German. In fact, the Germans have more at stake in the Republic than any other European nation, having invested over 30,000,000 marks there, in addition to the railway they built and the loan of \$10,000,000 to the Government. Besides lending their good money to the Republic, Britishers continue to hold a considerable commercial stake in the country. The United States of America, being so much nearer to Venezuela than Great Britain, rapidity of despatch and cheapness of freight should tell to some extent in their favour and against us. Nevertheless, the actual results are not anything like as startling as one would imagine. Whereas in foreign trade Venezuela a few years ago took from the United States goods to the value of £277,976, it purchased from Great Britain £169,470, and from Germany £172,016. In point of number of packages, Germany stood third, but in value second. British trade is pre-eminent in coal, baize, flannel, shirting, cotton cloth and calicoes, unbleached cottons and drills. Out of all the cotton goods imported into the Republic three or four years ago, Great Britain sent 245 tons of shirting and 804 tons of cottons, as against 15 tons and 93 tons respectively for the United States of America and 10 tons and 88 tons for Germany.

Taking the Venezuelans as a race, they are said to be 'thoroughly straightforward in business matters.' I speak now of the better class, and not of the low element of more or less Indian or other breed. British traders would probably endorse the view that, barring the piratical acts of President Castro and his tame Government, it is safe enough to do business with Venezuelans. One British merchant mentioned in our Consul's Report states that 'he had done business with Venezuelans for ten years and longer, and only had to write off £300 from an account of over £25,000.' He declared that '50 per cent. of the

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1. The first part of the document is a list of names and addresses of the members of the committee. The names are listed in alphabetical order, and the addresses are given in full, including the street name, number, and city.

2. The second part of the document is a list of the names and addresses of the members of the committee who have been elected to the office of chairman and vice-chairman.

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trade was for prompt cash,' a fact which may explain to some extent his fortunate experience. Additionally, it may be pointed out that this state of affairs was reported as existing in 1898, while the past seven years have seen a remarkable change for the worse come over Venezuelan commercial transactions, for the reasons which I have explained.

If transportation were easier than it is, Venezuela might be one of the most productive mining countries in South America. It is only a question of time for this fact to become realized. Gold, silver, and copper exist in great and paying quantities, but, generally speaking, the richest deposits are situated in regions untouched by the iron horse, and only known, if at all, to the natives living near by. Nevertheless, Venezuela is not unknown as a gold producer to British investors, to some of whom the name of Yuruari is certainly familiar. Of the sixty-six different gold-mines discovered up to 1894, no fewer than forty-four are located in the rich Yuruari region of the State of Bolivar. The Ciudad Bolivar goldfields have turned out from 1,700,000 to 1,800,000 ounces, valued at nearly £7,000,000, between 1866 and 1900. The Yuruari's output for the same period has amounted to between 450,000 and 500,000 ounces. The Callao mines during the fifteen years from 1884 to 1899 returned gold to the value of £4,200,000. The total gold production from 1896 to 1903 (the latest obtainable figures which I have) amounted to £1,600,000. As it is, Venezuela holds the position of the fifth gold-producing Republic of South America. The copper, silver, iron, and asphalt mines are also very productive, of the latter there being six big deposits, among them those known as Pedernales, Maracaibo, and Bermudez. Coal is found fairly well formed, although a good deal of that used is really only an impure and recently-formed lignite. Some cretaceous brown coal deposits have also been found in Bermudez State. With much natural coal wealth available if properly worked, the Republic nevertheless imports enormous supplies from Great Britain, which furnishes 90 per cent. of the total amount imported. Within the past few months the Government have commenced exploiting the State coal-mining area.

Towards the close of 1904 the mineral wealth of Venezuela seems to have attracted the attention of some British miners, who, establishing their camp on British soil in British Guiana, crossed the Venezuelan boundary in order to work the gold found there. Upon the facts becoming known to the Venezuelan Government, the men were ordered to leave; but instead of doing so, they burned down the camp of the Venezuelan 'pedro' who had given information against them. Then the native police appeared upon the scene, and in an encounter with the miners

killed three of them. When the Governor of the Colony, Sir Frederick Hodgson, was appealed to, he decided that the British were in the wrong, and, so far from protecting them, as they had fondly imagined he would do, he ordered Captain Smith, with a detachment of British Guiana police, to go up to the men's camp at Jumbi Creek and remove all the miners. No doubt the Governor was right, nor could he have acted differently in view of the Venezuelan Government's proclamation prohibiting gold-mining on the strip of land within 360 yards of the frontier.

Probably the fire-eaters at home would, had they known anything about this scrimmage, have demanded an instant ultimatum being sent to the Venezuelan Government. The act of our own people was wrong, as wrong as the act of Mr. Jaurett, the American. No Government can interfere on behalf of its subjects when they knowingly, or even unknowingly, commit trespass upon another and a friendly State's preserves, or violate that State's ordinances. The difference between the British and United States Governments is that the first named inquires into matters, which finally end in nothing being done, while the second makes a great hullabaloo before initiating inquiries into the affair, but in the end neither of the nations does anything.

It is particularly unfortunate for the United States of America, which has for so long, and with the tacit approval of the European Powers, played the part of schoolmaster among the South American States, that the worst scandal which has probably ever arisen in diplomacy is connected with their name. It has always been a matter of surprise to me that the European Powers, who are equally interested in South America, should have allowed the United States to assume the position which it occupies to-day, and should have bowed the knee with so much humility to the preposterous Monroe Doctrine.

For a number of years President Monroe's *dictum* remained buried and forgotten, when suddenly it was dug up from an honourable retirement and flaunted in the face of the whole world, supported by the cheap bombast of President Roosevelt, and accepted with incomprehensible docility by the other Nations of the earth. I doubt very much whether President Grover Cleveland placed as much faith in the Monroe Doctrine as does Mr. Roosevelt, and assuredly neither of these astute statesmen could have conceived it possible that the Document, even if flourished with sufficient insistence in the face of Europe, would have produced such startling effects. In my own opinion, the Monroe Doctrine will yet prove a Frankenstein to the United States. America has gone too far to retract, and since she insists upon playing the part of *ensor morum* to the

turbulent Central and South American States, the usual consequences of interfering with everyone's business will be realized.

A weapon of this kind can prove double-edged, and such has already been the experience of the United States. In the meantime the other Nations of the world are looking on amused, for both England, France, Germany and Italy have had occasion to feel annoyed with one or other of the South American States, and upon attempting to assert itself each one has been met with a fiery sword in the form of the Monroe Doctrine. Italy had a serious quarrel with Colombia, and would much have liked to punish her—but the Monroe Doctrine forbade. Germany was wrath with Hayti, and with good reason, and had sent warships to punish its Government for a more than usually serious outrage—but the Monroe Doctrine forbade. France demands a settlement from Venezuela, as did Germany, Great Britain, and Italy, and warships from each country had either arrived at, or were on their way to, La Guayra, when, once more, the Monroe Doctrine forbade. One and all of these Powers humbly consented to allow the United States to act as judge, counsel, and executioner. The results, or, rather, the lack of them, are apparent to-day.

This all means that in future, in order to maintain the absurd position which it has assumed, the United States must maintain the rôle of a tribunal having jurisdiction over the whole of South and Central America. Should any of these States commit a wrong upon the citizens of another Nation, it will not be that Nation which will interfere, but the United States, since it has practically bound itself to do so. Mr. Elihu Root has already unmistakably guaranteed that this should be so, for he has admitted: 'We are bound to say that whenever the wrong cannot otherwise be redressed, we ourselves will see it is redressed.' It will be seen, therefore, that the United States has of its own free but apparently insufficiently considered will assumed a position of extreme danger and responsibility to the rest of the world.

A decided blow to the dignity of this position adopted by the United States of America was dealt by the act of one of its own diplomats, who, a few months ago, produced something like consternation by accusing a brother diplomat of a most unworthy action. The American Minister at Caracas, Mr. Bowen, charged Mr. Loomis, who was formerly American Minister at Caracas, with having accepted a bribe of £2,000 from the New York and Bermudez Asphalt Company in return for his services as diplomatic representative.

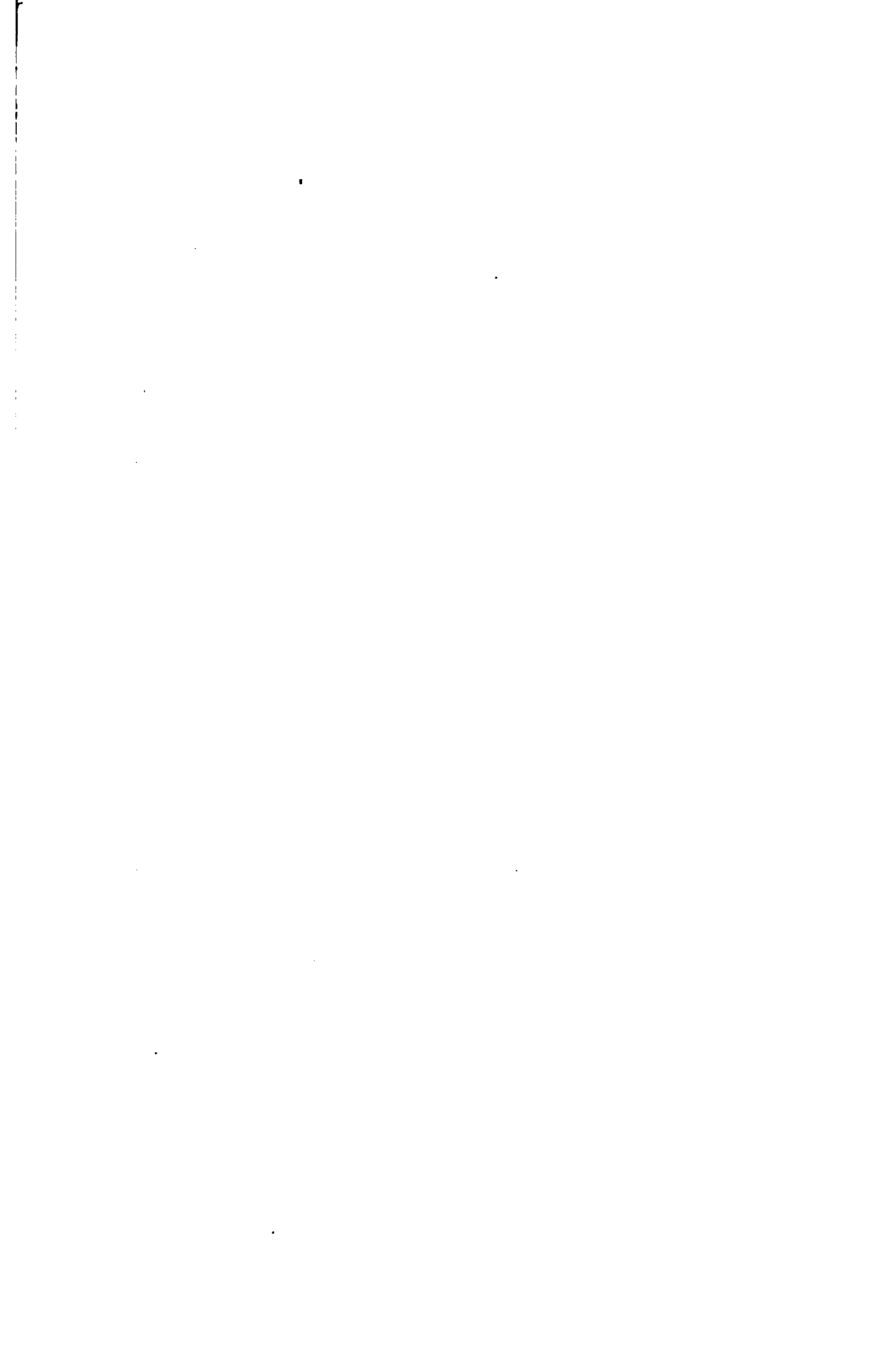
The exact charge was that Mr. Loomis had been guilty of gross irregularities for his own financial benefit, and, had this been proved, no doubt the position of the United States in con-



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Up train leaving Tunnel No. 6 at Boqueron Pass on the La Guayra-Caracas Railway



nection with the dispute with Venezuela, and as spokesman for all the other aggrieved Nations, would have been rendered ridiculous and untenable. The charges brought against Mr. Loomis seemed at first so circumstantial that practically the whole world believed in them, except, perhaps, those who happened to know something of Mr. Bowen, the accuser, and of Mr. Loomis, the accused. I may say that when I was in Caracas Mr. Bowen bore anything but a distinguished reputation, and no one who knew him would credit the charges which he had brought against a proved and respected diplomat like Mr. Loomis. Answering the grave charges persisted in by Mr. Bowen, Mr. Loomis declared that, although it was quite possible that President Castro might hold a cheque showing that a payment of a sum of £2,000 had been received by him from the Bermudez Asphalt Company, the fact was that on his leaving Caracas he exchanged his Venezuelan money with the Asphalt Company for American money in order to avoid the high rate of exchange. It is now a matter of history that, after having carefully investigated the whole matter, the President dismissed Mr. Bowen from the diplomatic service, which he considered he had disgraced, and informed Mr. Loomis that he placed no reliance upon the charges brought against him. So far so good, but the moral stigma remains, and that it had some effect is proved by the retirement of Mr. Loomis and the lukewarm manner in which the United States Government has pursued its negotiations with Venezuela for the settlement of the Bermudez Asphalt *embroglio*.

Apart from the fact that those who know Mr. Loomis and his previous record would discredit any such charge as that brought against him, it is obvious that, were he amenable to a bribe, he would hardly have been such a fool as to accept a cheque, that being a form of payment readily traceable. Rather would he have demanded gold, which cannot be traced. President Castro, on the other hand, lays himself open to the suspicion of having misused his authority with the Bank upon which the cheque for £2,000 was drawn, since he could never have obtained a sight, still less the possession, of the paper by honest and straightforward methods. A cheque before it is paid is the property of the payee, afterwards it becomes the property of the payer; it is never the property of the Bank, which is merely the custodian *pro tem*. Both the Venezuelan President and the Bank had therefore committed a breach of trust, which, after all, is nothing unusual in Venezuela.

CHAPTER III

Monetary standard of Venezuela—Foreign coins circulated—Bank-notes issued—Financial indebtedness of the Republic—Banking—The new National Bank—Privileges—Other banks—Wanted, an agricultural bank—New National Mortgage Bank—Future of pearl-fishing—Mineral-water springs—Some minor industries awaiting development: jet, marble, granite, etc.

VENEZUELA is one of the few Latin-American nations which have succeeded in maintaining the gold standard. Another is the Republic of Uruguay, or, as it is locally termed, Banda Oriental. Both are monometallists, and are opposed to all paper-money, although the second-named Republic admits of a small quantity of 'paper' being in circulation. Since the year 1871 gold coins of all nations are authorized to circulate, but as a commodity at a fixed and unalterable price.

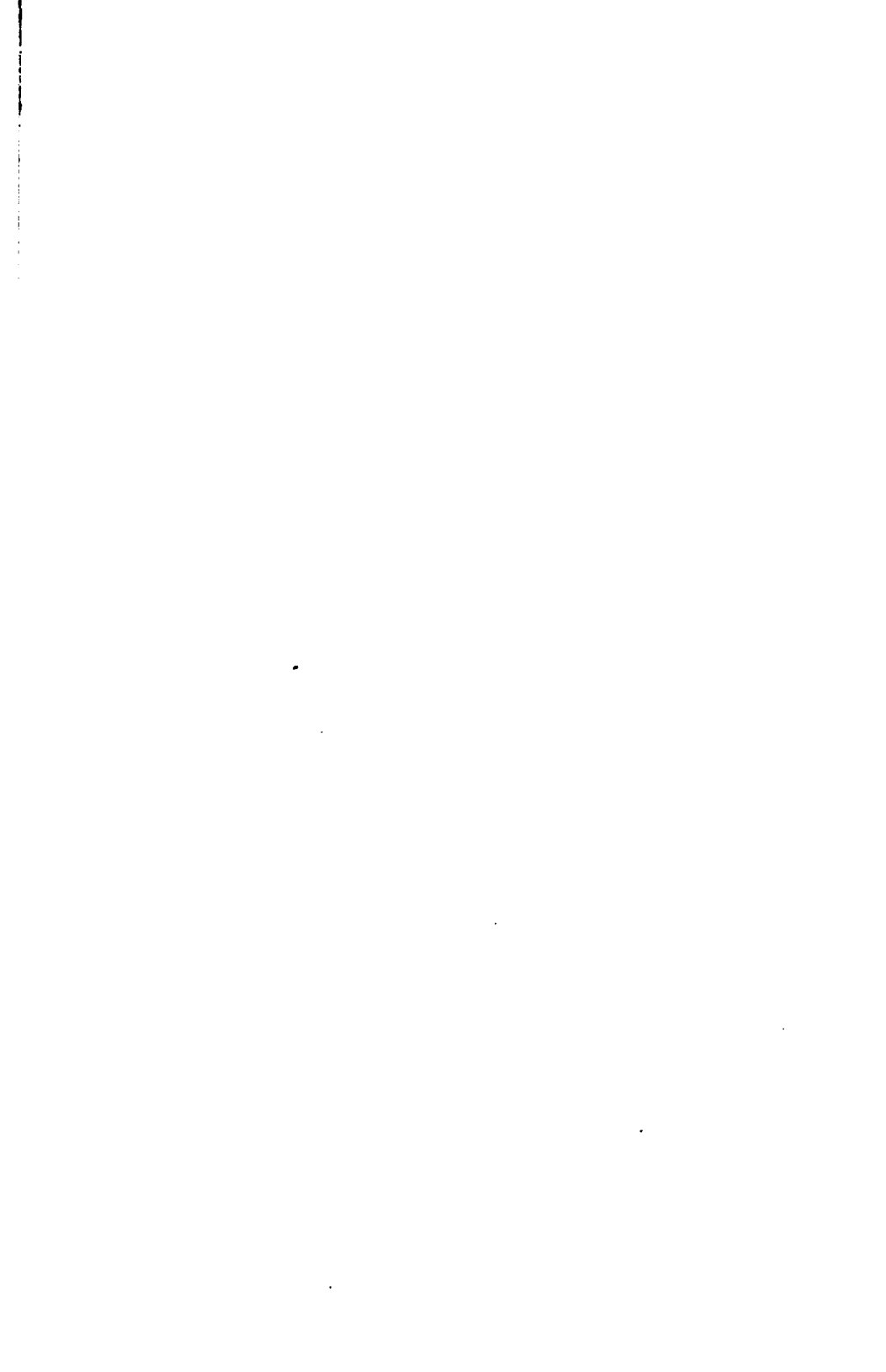
The only money of paper circulation in Venezuela is that issued by the Venezuela, Caracas, and Maracaibo Banks, and this can only be issued by and through the Banco Nacional de Venezuela on its establishment. The total money value of bank-notes issued has never reached \$400,000. The Government declines to accept any responsibility for them, and their acceptance by the public is purely voluntary. By very strict laws the issue of bank-notes is limited to \$3,200,000, which is double the amount of its paid-up capital, and perfectly guaranteed. It will thus be seen that the monetary system of the Republic is perfectly sound. There can be no depreciation of any kind, and this, after all, is the only sensible and thorough system of financial dealing. It is a pity that Venezuela is not on a par, in respect to its other national institutions, with its sound monetary situation.

Formerly both the English shilling, the French five-franc piece, the United States dollar, and the Brazilian peso, were all in legal circulation in Venezuela, and even the silver sixpence of England and her Colonies was accepted at a given price; but in 1846 the circulation of all foreign metal pieces was forbidden, and they have never been permitted since then. The National Mint was established at Caracas in 1865, the gold coins of twenty bolivars (francs) being equal in weight to the French

napoleon. About five-and-twenty years ago money of every European Nation was circulated in the Republic, and a great amount of confusion prevailed, so much so that in 1879 a special law was passed declaring that foreign currency was no longer a legal tender, and that Venezuelan currency was henceforth to consist of only gold, silver, and nickel.

For many years past the financial affairs of the Republic have been in a very involved and critical state, and although, perhaps, an improvement can to-day be seen approaching, it is difficult to know how the Government is going to extricate itself from its many surrounding difficulties. Protocols have been signed and solemn agreements have been entered into (no doubt with the best intentions on the part of the Republic to keep to them), but beyond handing over an annual percentage of its Customs receipts and mortgaging the revenue which is held pledged in other directions, it seems impossible for the Government to carry out its obligations. As I have observed in a previous chapter, the inhabitants are taxed up to the hilt, and cannot bear any further strain. How, then, is the Government to redeem its numerous pledges? With a view to bringing about a general unification of the external liabilities of the Republic, including claims recognised under the Washington Protocols, agreements were signed between the Republic and the Banque de Paris et des Pays-Bas, but the rates of conversion to be offered to the different creditors have still to be settled and accepted. There are so many conflicting interests to be reconciled and so many serious difficulties to be overcome that it will be a long time hence before a definite and full settlement can be arrived at. What seems clear is that the Republic owes its foreign creditors nearly £5,000,000 sterling in borrowed money, and another £3,000,000 sterling for defaulted interest. This is not so bad, perhaps, as the Provincial Governments of the Argentine, which, taken altogether, owe foreign creditors nearly £6,000,000 of outstanding principal, and over £1,500,000 of approximate interest arrears. The Republic of Honduras, again, owes £5,500,000 of outstanding principal, and nearly £15,000,000 of interest; so that Venezuela does not stand by any means first on this black-list of defaulters. Its resources, in their present undeveloped state, are quite inadequate for the redemption of its indebtedness, however willing the Republic might be to clear it off. Something is hoped for by the bondholders of the Venezuelan Debt from the negotiations now going on in Paris between their representative and La Banque de Paris et des Pays-Bas for the unification of the various obligations of the Republic.

To the Council of Foreign Bondholders is due whatever restitution to Venezuela's creditors has come about. The



was established as far back as 1882, and was then known as the Commercial Bank. Up till the establishment of the Banco Nacional, the Bank of Venezuela had been the Government bank, having charge of the Treasury service and making a good thing out of it. The bank does an excellent business still, and has only called up three-fourths of its capital. Besides the head office at Caracas, there are fourteen different branches throughout the Republic, and this institution still does a large amount of bill-collecting and discounting. A third bank which has hitherto done well is the Bank of Caracas, this being a Joint Stock Company with a capital of £240,000. It was established in 1890, and does a purely commercial business, its head office being at Caracas, and it has eight or nine branches throughout the Republic. It lends money at rates of interest varying from 10 to 12 per cent. per annum, and it manages to return an average dividend of 8 per cent. to its shareholders. The Bank of Maracaibo is a similar concern, but with a capital of only £50,000. It confines its operations to discounting bills with at least two signatures and to keeping current accounts. Like the three other banks already mentioned, it has had up till now the power of issuing bank-notes to the amount of \$500,000, but its total issue has never exceeded \$400,000. So soon as the Banco Nacional de Venezuela was launched this right ceased.

What is needed is a purely Agricultural Credit bank, which at present does not exist. Considering the great agricultural possibilities of Venezuela, the difficulty which farmers experience in obtaining money at fair rates of interest is a very serious matter to them, and possibly, were the state of affairs ameliorated, we should find more than 20 per cent. of the population engaging in the pursuit of agriculture. Interest at 12 per cent. is very common in the Republic, this rate being demanded by the large export houses, who buy crops and grant a mortgage on the property. But the owner finds it almost impossible to meet the charge, and constant assignments are taking place. There are several branches of German banks, and one or two English branches, but the amount of business they do is not excessively large, although fairly safe as long as they do not lend to the Government. Last June the Government decided to form a new National Mortgage Bank, with a capital of 5,000,000 bolivars—say £200,000. The capital is to be in cash—2,000,000 in gold coin of 20 bolivars, 1,500,000 in silver coins of 5 bolivars, and 1,500,000 in silver coins of 2 bolivars. The new coinage is now being minted.

Pearl-fishing, which has existed in the seas of South America for centuries—long before the advent of Columbus, indeed—has recently received a fresh impetus by the concession to a Venezuelan citizen of the exclusive right to search for pearls

in the Gulf of Cariaco. This concession has been given by the State, and not by the Federal Government, which is the national protector of pearl-fishing. The concession likewise covers mother-of-pearl, amber, coral, sponges, and other sea products, and is, no doubt, very valuable. The Government receives 15 per cent. of the value of everything found, which is 5 per cent. more than it has ever asked before from concessionnaires, 10 per cent. being the usual amount of royalty. The concessionnaire, I understand, will endeavour to find some European capitalists to finance him.

The island of Margarita is the scene of the most important pearl-fisheries, and now that the price of the jewels has increased considerably, the industry should receive a good deal more attention. The principal pearl-beds lie to the north-west of the island, at El Tirano and Macanao. Over 2,000 men and boys are employed at present, and can pursue their occupation all the year round. Their methods of fishing, however, are somewhat primitive, a state of things which will doubtless be altered as soon as the new concessionnaire gets to work, since he intends to introduce the latest kinds of diving and dredging machinery. The native fishers use meal-scoops, which they drag along the bottom over the oyster-beds, and then open the shells by hand. Their boats are from 5 to 15 tons capacity, and they manage to make a very fair living out of the industry, even after paying a tax of \$3 for every permit issued and a royalty of 10 per cent. to the Government. One French Company has been in business for about one year, and has proved very successful. Unfortunately, the Venezuelan pearls, while looking perfect, perish rather quickly, and lose their early lustre. No efforts are made to preserve or use the shells of oysters, as they are too thin for any commercial purpose. Some exceedingly valuable black pearls have been found on the Venezuelan coasts, while the annual value of the fisheries so far has amounted to £180,000.

Some day, when the country is more settled, attention will no doubt be given to a number of smaller, but nevertheless important, industries, such as the jet-mines and porcelain deposits, which are found near Cumana and Caracas; the fine granite quarries in the Silla Mountains, also near the Capital; the slate, marble, gypsum, and lime, which are found in abundance round and about the Coast Range Mountains and the Parima Mountains. Tin is found at Barquisimeto, while some particularly effective mineral-water springs exist in many parts of the country, the hot springs of Las Trincheras, which are passed on the Puerto Cabello and Valencia Railway, being among the most celebrated, their waters maintaining a temperature of 206° F., probably the hottest springs in the world.

CHAPTER IV

Stock-raising—Exportation—Monopoly in salt—Agriculture—Number of people engaged in it—Produce sent to market—Coffee—Cocoa—Labour on plantations—The labourer and how he lives—Minor industries—Immigration—Inducements held out by Government—Colonies which are doing well—The Land Law—Questions of title—The need for caution—Public education—State-governed schools—Academies—Museums—Libraries

LIKE the Argentine and Uruguayan Republics, Venezuela possesses enormous tracts of rich pasture-land, especially suitable for cattle-breeding. The only difference between the countries is, that whereas the Argentine pasture-land is almost uniformly flat and treeless, both Uruguay and Venezuela are undulating and fairly well wooded. The prairie grass is so luscious in Venezuela that the cattle thrive and fatten entirely without any artificial food. Cattle-raising has been a national industry ever since the advent of the Spaniards, who brought a good deal of live-stock with them. There are about 2,000,000 head of horned cattle in the Republic at present, and between 50,000 and 60,000 head per annum are exported from Puerto Cabello and La Guanta. There is only one 'saladero,' or beef-packing factory, in the country, and it handles 100 head of cattle daily, which, compared with the 1,500 and 2,000 a day killed at the Argentine and Uruguay slaughter-houses, seems insignificant. It is found better to export the animals alive, salt being a very expensive item of the curing process owing to enormous import duties. And yet there is any amount of salt in the country itself, as the mines of Zulia turned out in 1901 no fewer than 3,500,000 kilos of the mineral. But salt is one of the several monopolies I have referred to.

In spite of the natural richness and productiveness of the country, only 20 per cent. of the population is concerned with agriculture. The average Venezuelan farmer is a poor and ignorant creature, often unable to read and sign his name, and with no higher aspiration than to live undisturbed by the various factions and able to earn enough to purchase votive candles for his favourite saint. Everything growable can be grown in

Venezuela, but the only produce sent to market consists of vegetables, such as yams, beans, peas, cabbages, cauliflowers, egg-plants, okra, sweet potatoes, etc., fowls, eggs, and fruits. These latter, however, are very numerous and exceedingly delicious to the taste. The most luscious strawberries, grapes, figs, plums, greengages, bananas, and mangoes can be bought at almost any price, and quantities, for want of a purchaser, are daily thrown away.

The staple product of the country is coffee, an industry which commenced over a hundred years ago, the first seeds being brought from the island of Martinique by a Frenchman, who started the first Venezuelan coffee plantation. It is estimated that to-day there are over 250,000,000 coffee-trees in the country, about 1,000,000 bags being produced annually. I should say that Venezuela ranks next to Brazil as a coffee producer, but the disturbed condition of the country is interfering with the success of the industry. There are the usual various grades of bean—the best going to Germany, France, and Austria, while much of the second as well as of the first grade go to the United States of America. Very little Venezuelan coffee finds its way to Great Britain.

Labour is very cheap and very plentiful among the coffee plantations. The low-class native is quiet and peaceable enough so long as he is not knocked about or harangued by political agitators; then he becomes a devil, and behaves like one. On the plantations he works happily and contentedly enough for his 40 or 50 cents a day (say 2s. to 2s. 2d.), putting in from seven to eight hours' good work. He lives in a squalid, tumbledown hut, and usually has anything from six to twelve children, which cost him but little to feed, as they somehow soon learn to pick up food for themselves. At four or five years of age they commence to work on the plantations with their parents. Their food, as does that of the peasants and labourers, consists almost entirely of cereals and meat.

Next to coffee, cacao is the most profitable industry of Venezuela. There is no more suitable climate or soil for this plant than can be found in the country, which has an indigenous tree of its own. It grows to a height of 4 metres (say about 3¼ yards), has fine spreading boughs, and produces a deliciously-flavoured fruit. Very little care is shown in cultivating the cacao-plant, however, the fields being irregularly sown and the trees but little cared for. As a matter of fact, more care is needed for the cacao than the coffee plant, although the preparation of the actual crop is far less troublesome. A hundred trees can be planted in one acre, and must be protected from the sun by other and umbrageous trees, like the banana and bucare, until they are full-grown. Coffee-trees have to be treated in a



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View of Caracas, Capital of the Republic

similar manner. Although no manures are used, the trees must be kept moist by irrigation canals, and here again the planters only carry out the operations indifferently and irregularly. The tree commences to bear fruit after five years, and its average life is forty years. The fruit grows from the trunk as well as from the branches of the tree, and it is very easily gathered. When picked off, the pods are thrown together in heaps upon the ground, and there allowed to remain and ferment. Then they burst open, and the shell is taken off the loose seeds.

A steady business in export is done with several European countries, France, Germany, and Great Britain all being good and regular customers. Spain, Italy, and Mexico all buy it for making chocolate, while the Venezuelans themselves consume great quantities of it, as they do of coffee and tea. The largest cocoa plantations are situated at heights of 500 metres above the sea, at such places as La Guayra, Puerto Cabello, the Borlovento Carüpano, Rio Chico, and Rio Caribe.

To supply the demand of the Venezuelans for shoes and boots—and annually they purchase from 5,000,000 to 5,250,000 pairs—there are some 759 factories and shoemakers. Very few shoes are imported, since there is a prohibition against importing all such goods. Boots are well and strongly made by native workmen, and are moderately priced. They are very similar in style to those worn by Uruguayan and Argentine men and women, especially the tall riding-boots, of the most approved Buffalo Bill type. Caracas has two large boot factories, which employ between 200 and 250 workmen. Many of the natives make their own foot coverings, and handmade shoes have a ready sale among the better-class people. At one of the machine-made boot factories to which I have referred 500 pairs of shoes, boots, and slippers are turned out daily. Prices range from 2½ to 20 bolivars—say from 2s. 6d. to £1 a pair. At La Guayra there is also another but a smaller factory, which turns out from 200 to 300 pairs of shoes and boots a day. The slippers worn by the Venezuelan in preference to boots when he has no riding to do are usually very bright in colour, and have no heels. Some of the peasants wear bandages over their feet instead of boots, and these are seldom removed unless worn out. Most of the slippers worn come from La Guayra, where hundreds of women and girls are engaged in making them.

Among other industries carried on in Venezuela on a moderate but still profitable scale are carpet and cloth dyeing with vegetable dyes, hammock-knitting, straw-basket making, cotton and woollen embroideries, rum-distilling from sugar-canes, preparing hides and skins, honey-growing, and dyeing of birds' feathers for fans and trimmings. The Venezuelans are not by any means an idle people, and generally find some kind of occupa-

tion which brings them in a few additional cents beyond the small wages the men of the family can earn. For they have heavy taxation to bear, and need all that they can gain.

I should scarcely be inclined to recommend Venezuela as a suitable country for immigrants. True, the Government hold out some inducement to foreigners to come and make their homes in the country; true also that, provided such foreigners are careful to abstain from meddling with the politics of the Republic, they are fairly immune from interference. But there are other contingencies which may arise entirely independent of any action on the part of the settler. Revolutionists are not particular whose property they damage, or upon whose premises they trespass in the pursuit of their lawful prey, who may be regarded as all Government supporters or those who are doubtful. Indeed, not to be with is to be against the party in revolt, and settlers frequently find themselves unfortunately situated between the devil and the deep sea. Hitherto the worst attacks against the Government have been at the Capitals or at the Ports, and but little actual fighting has ensued in the more agricultural portions of the Republic. Nevertheless, raids have been made upon farms and plantations for provisioning the troops; and until peace has been once and for all established—and venturesome indeed would he be who could say when this will be—settlement in Venezuela offers few inducements to foreigners.

Immigrants, nevertheless, do find their way into the Republic from British Guiana, Brazil, and other countries more or less adjacent. German settlers are also to be found in small but increasing numbers, for the itinerant Teuton somehow manages to thrive where other nationalities would perish, and to make money where others cannot even earn a living wage. As elsewhere in the wide world, the Germans are not very popular in Venezuela, but they succeed in making good settlers; they obey the laws, refrain from political intrigue, and save money all the time.

To induce immigrants to come to Venezuela, the Government offers free transportation from the starting-place to that of destination at the main immigrant depôts. Immigrants are cared for and fed for a space of thirty days after their arrival, all their belongings are carried free, they are exempt from Consular or other fees, and when they are engaged to work by the Government they are transported free to the colonies. Additionally, each man or woman of prescribed age is entitled to a free grant of public land of from 2 to 6 hectares. They have to cultivate one-third of it within four years or it is confiscated. The new arrivals are governed by the Alien Law, but may become naturalized. Within two years of their arrival

they may purchase lands, but need not pay for them until four years later, when title-deeds are issued in their favour, and these may be regarded as secure.

There are two colonies established by a former Government, one at Sucre, in the State of Bermudez, and known as the 'Bolivar Colony,' and the other at Altigracia, in the State of Miranda, and known as the 'Independencia Colony.' The country is somewhat too mountainous to be altogether attractive, but on the whole the settlers have done well for themselves, and several comfortable little homesteads may be seen, and an air of general prosperity pervades the settlement. Two fine rivers irrigate the land, which produces coffee, sugar-cane, cacao, and general agricultural crops. Access to the colonies is by steamer a certain distance, and thence by canoes, there being no railway anywhere near, and no prospect of one being built.

The question of titles to land purchased in South American States has long been one upon which considerable uncertainty has prevailed, and not without reason. In Venezuela there is little disposition to interfere with boundaries, always fruitful of quarrels, since no part of the country has been deemed so valuable as to necessitate precise boundary lines. Any day the matter might become a serious one, however, since (as mentioned in another chapter) a dispute as to territorial limits arose some months ago between British miners who crossed over into the Republic from British Guiana and the Venezuelan Government, a dispute which terminated fatally for three of the former. Surveying is very loosely carried out in this part of the world, and if a man be asked to define his boundaries he waves a hand airily in a certain direction, and says, 'Over there.' There are very few fences to be found or beacons, such as prevail in Argentina and some parts of Chile and Brazil.

The whole matter of foreigners holding land in Venezuela was re-examined and legally amended by the Government as late as 1904, and intending purchasers would do well to carefully study the provisions of the 'Public Land Law' before parting with their money. There are some fifty-one different Articles to be consulted and remembered, and many of them are susceptible of a double construction. Even a native lawyer might find some difficulty in deciding how far and how much they govern a foreigner's rights. The worst feature of this Law is that each State has its own powers to apply, and past experience of these States goes to prove that they are not to be trusted. There is a confiscation Clause likewise, which may easily entrap the unwary, so that, apart from all boundary and limitation questions, the purchasing of land in Venezuela is a matter requiring the most careful and cautious handling.

The educational laws of Venezuela are amply and intelligently conceived, but somewhat indifferently carried out. Nominally every individual is educated, instruction being gratuitous and compulsory throughout the Republic. Such has been the law for thirty-five years, but it is no uncommon experience to encounter Venezuelans, especially in the rural districts, who can neither read nor write, and who have never seen the inside of a Government or any other kind of school; and yet there are a large number of these institutions, conducted, for the most part, in an unimpeachable manner. Most of the schools are naturally found in the Capital, there being one especially well-conducted seminary, which, although under the dominance of the priests, is nevertheless possessed of an excellent and practical code of instruction.

The best-attended schools are those for girls at Caracas and Valencia, and that for boys at San Pablo. The State schools are separated into classes, as in most other countries, such as primary, secondary, normal, etc. The Federal District owns 100 different public schools, while in all the States of the Union there are some 600. Venezuela has additionally two Academies, viz., the Academy of the Spanish Language and the Natural History Academy, the former established in 1881, and well known outside the limits of the Republic itself; and the latter having a Board of Professors who are indefatigable in their researches in relation to the annals of Venezuelan history, which, I may say, are exceedingly interesting and but little known. The medical, engineering, and law colleges of the Republic have not succeeded in making any particular mark in the scientific world or turning out any notable pupils; neither has the engineering school produced any paragon. Nevertheless, native successes are well protected, as the Government is very zealous in securing appointments for the young pupils of the Native Academies.

Unfortunately, the course of instruction is frequently interfered with and altered, sometimes from mere caprice, and the Professors have really no free hand, so that resignations among them often take place. The State also supports a Mining as well as an Agricultural School, where a very thorough programme of studies is arranged. The school possesses an excellent library on agriculture, as well as a well-filled agricultural museum, with a permanent exhibit of natural and industrial products.

The silkworm industry having been lately taken up, special classes of instruction in this Department have been instituted. There is a branch of the Pasteur Institute, which was established in 1896, also a fine Art School and a Polytechnic School. The two latter are not very well attended, however, last year's

pupils for the first named aggregating little over fifty, and for the second eighty-five. So far as public libraries and museums are concerned, the Republic is not too well supplied. There is one fairly good library at Caracas which contains 50,000 volumes, while there are others of less importance at Valencia, Maracaibo, and one or two other cities.

CHAPTER V

Cities of Venezuela—Caracas—Appearance—The streets—Squares—Pavements—Cathedral—Tramways—Telephones—Congress building—President opening Congress—La Guayra—History—Assaults by various nations—Valencia—Puerto Cabello—Other cities and capitals of States—Venezuelan Army—Its constitution—The Navy—President, as Generalissimo and Admiral of the Fleet—Venezuelan men-of-war—Revolution—Cruelty of contending parties

THERE are few cities in Venezuela worth very minute description, and even the Capital, Caracas, interesting as it is to the stranger, is so much like any ordinary Spanish-built town in South America as to call for very little particular notice. The city lies on a tableland some 3,000 feet below the highest peak of the Coast Range Mountains. Approaching the capital from La Guayra, the railway first crawls up and around a precipitous serpentine track for some 5,000 feet, and then descends, as I have said, some 3,000 feet, so that Caracas is practically 2,000 feet above the level of the Caribbean Sea. It was founded as far back as 1567 by a Spaniard, Diago de Lozada, and it was then named Santiago-de-Leon. At first glance the city appears to be well laid out, all the streets running at right angles to one another and converging to the four points of the compass. Although the streets are paved, some of them are in a sadly neglected state. The side-walks are of average width, and no doubt, when first laid down, were well cemented, but they have become broken and cracked in course of time, and are only now partially repaired.

Caracas ranks as ninth in the list of twenty South American Republic Capitals. Its numerous squares are more than usually profusely adorned with statues of great 'patriots' (*i. e.*, successful Revolutionists), while they are also nicely planted with luxurious tropical trees. There are several handsome avenues, both broad and shady, while fairly good and very extensive tramway and telephone services are in use, and moderately cheap. Most of the people one meets are well dressed, and their manners outwardly are irreproachable. Probably no South American city, not even excepting Buenos



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**Entrance to the Port of La Guayra, showing a portion of the sea wall
The mountains seen in the picture are sheer precipitous, rising abruptly from the water's edge**



Aires, is better lighted by electricity than this same Venezuelan Capital; the same power is used very largely for operating industrial enterprises.

It is only upon closer investigation that the imposing-looking buildings of Caracas are found to be mere stucco, plastered over brick, while the iron railings which adorn them are mostly rusty, thin, and brittle. The Cathedral, which occupies a very prominent position in the City, and from a distance looks an exceedingly handsome pile, is again, on approaching it, found to be sadly chipped and broken in parts. The hotels are large, airy buildings, the apartments consisting of three rooms in a suite, but they are poorly furnished. Everything in the way of furniture is of wood, the bedsteads included; the floors are left uncarpeted, neither blinds nor curtains are at the windows, and there is a complete lack of the usual sanitary conveniences in the building. The dining-room, as a rule, is a large, lofty, and gaudily-painted apartment, somewhat after the style of a cheap Italian restaurant; but the food as a rule is exceedingly badly cooked and worse served, according to European tastes, being of the approved Spanish taste—that is to say, garlic-tainted and greasy. The Caracas hotels are not expensive, it being possible to live moderately well at the best of them for 12s. or 14s, a day, but there is a sort of Masonic understanding among the proprietors to charge strangers about double what the ordinary residents would be called upon to pay.

Caracas possesses at least three very fine Squares, known as the Bolivar, the Washington, and the Miranda. Of course, there is a Square called the 'Fifth July,' which lies between the Capitol Buildings and the University. The Capitol Buildings cover an area of about 1 hectare, and are constructed in the Moorish and Spanish architectural style. They are built round a spacious court, and lavishly adorned with fine fountains and parterres of tropical plants and shrubs. Congress sits in a lofty whitewashed hall, with all the members' faces turned towards the raised Tribune. It was here that I witnessed the historic opening of Congress by General Castro, after he had become actual President, in March, 1902, when I was invited by his Excellency to form part of his attendant train. The proceedings were uncommonly dull, lasting over three and a half hours, the President reading his speech for the first half-hour and then handing it to his Secretary to finish. It was read from a bound volume, other copies being placed in the hands of all Congress-men and invited guests, so that it was possible to follow his Excellency (if desired) from beginning to end. I don't think that anyone did.

Other buildings of importance in Caracas are the National Pantheon, a massive church edifice, where the famous General

Bolívar is buried; a National Library, which is **opposite** Bolívar Square; the National Museum, the Central University, the Venezuelan Academy, and the Masonic Temple. In regard to churches, Caracas is particularly well off, that city being the seat of an Archbishopric, and, in addition to the enormous but disappointing Cathedral, to which I have referred, there are a dozen very beautiful but smaller churches. There is not a single Protestant Church in the city, although religious opinion is perfectly free, and there are a few Protestant denominations which meet together privately.

In regard to parks the city is also well provided. Independencia Park, which a few years ago was a barren height, has now been irrigated and laid out in excellent walks and drives; as complete a transformation has apparently been made of this once desolate spot as the Chilians have made of their famous gardens of Santa Lucia, in the City of Santiago. The Venezuelans are exceedingly fond of dramatic entertainments, and there are three large theatres in the Capital. The principal is the Municipal Theatre, which is large, fairly comfortable, and well decorated, the stage being equipped with all the latest machinery; the chief entertainment consists of light opera and vaudeville. There are several other kinds of amusements of a popular character, there being at least a dozen music-halls and as many more café chantants, while nearly all the restaurants have string bands to entertain their customers while dining. The cafés are usually thronged until close upon midnight, most Venezuelans, like other South American Republicans, passing a great deal of their time out of doors. Home life is little cultivated and not very general, except among the better classes.

There are four railway stations in Caracas, one belonging to the La Guayra and Caracas Railway Company, Limited, another to the Central Railway, a third to the Caracas and Valencia Railway Company, and the fourth to El Valle Railway. None of these stations are conspicuous for their cleanliness, while their waiting-rooms and platforms are shabby, comfortable, and rather bare of furniture.

La Guayra, if approached from the sea, looks very charming, especially in the sunlight, and the famous traveller, Baron Von Humboldt, went into raptures over the spectacle. Once more, however, it is a case of 'distance lending enchantment to the view,' for the beauty of the city is only apparent. La Guayra can only be described accurately as a collection of picturesque but unquestionably squalid houses, the inhabitants of which present every appearance of being abjectly poor—as no doubt, under the prevalent crushing taxation in force, they are. But the natural situation of the city is delightful, being built on the

grassy slopes of the enormously high Coast Range Mountains. Their precipitous walls rise to the height of 9,000 feet, and are clothed almost to the summit with the brightest of bright verdure. The soil is brick-tinted, which serves to throw out the brilliant green with marked effect, while the scintillating, heaving expanse of sea is nearly always of a deep amethyst blue, as is the sky. The panoramic, ever-changing view which is unfolded to the traveller in the railway train as it mounts—crawls, I might say—up from the Port on its way to the superb mountains, is simply entrancing, and in all my experience I have seen nothing more ravishingly beautiful.

La Guayra as a city is as old as Caracas itself, and in its time has seen a good deal of sanguinary fighting. It has been assaulted and taken, recaptured, and then taken again, times out of number, now by the emissaries of one nation, now of another, our own having distinguished itself in the person of one Amyas Preston, who landed at Macuto, 4 kilometres east of La Guayra, in 1565 with 400 men, and although the two countries were at peace (more or less), the city was attacked. With the proverbial facility of sailors, these intrepid filibusters, scorning to rob the poor inhabitants of La Guayra, scaled the precipitous mountains, sacked the city of Caracas, and then returned, completely satisfied and laden with plunder, to their ships.

The French were the next to fall foul of La Guayra, then came the Dutch, who were followed by two other English squadrons, both of which, however, were defeated and driven off.

What the British seamen could not accomplish, however, Nature did, for in 1812 both La Guayra and the City of Caracas were overwhelmed by an earthquake and totally destroyed.

La Guayra is an important port, but very poorly protected, and therefore the first to be blockaded when the other nations of the world have any dispute with Venezuela, and that is very often. When I was at the Port in 1902, it was being menaced by three German warships, for the all-important question of paying the claims for damages to their Railway (Valencia and Caracas) was then under discussion. Having shaken the mailed fist impotently at the mountains of Venezuela, however, two out of the three bullies sailed away with as much dignity as they could command, having left behind the smallest of their three—the innocent-looking but death-dealing gunboat *Gazelle*, upon which nothing more formidable was to be detected at the time than a string of clean white shirts hanging out to dry, doubtless the property of the 'mailed fists' which manned her.

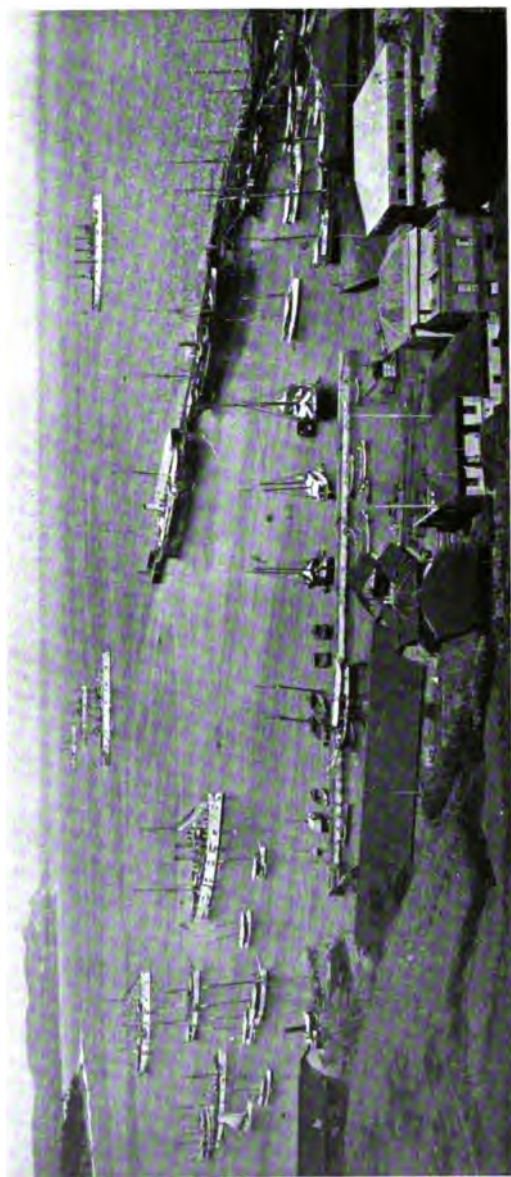
The City of Valencia, which is the Capital of the State of Carabobo, is about 3 miles from the Lake of Valencia. It is over 450 years old, and has a population of nearly 40,000 inhabitants. On the whole, it is better built and more regularly laid out than Caracas, and what lend additional attraction to its appearance are the numerous bright green plantations by which it is surrounded. Moreover, it is admirably supplied with fresh water, well lighted by electricity, and has a number of good-looking and even handsome public buildings. The greatest charm of Valencia, however, is its climate, which is really delightful, being neither too hot nor too cold, and tolerable all the year round.

Next to Valencia in importance is Puerto Cabello, situated, like La Guayra, on the Caribbean Sea, and about 400 kilometres from the latter port. Its population is about 14,000, and the people appear to be rather more prosperous than those in La Guayra. The best building in the Port is the new Customs House, which has been built with materials imported from the United States. There are also several handsome churches, and the usual number of parks and other public resorts.

Other cities in Venezuela which are well worth a visit, and which, for lack of space, I am unable to describe in detail, are :

Calabozo, a very old city, and the Capital of Guarico State; Barquisimeto, founded in 1552, the Capital of Lara State; Merida, founded in 1558, the Capital of the State of Merida; Ocumare, founded in 1693, the Capital of the State of Miranda; San Christobal, founded in 1561, and beautifully situated on a high tableland, Capital of the State of Tachira; San Carlos, a small city, which made itself famous during the War of Independence, when it suffered considerably, the Capital of the State of Zamora; and Maracaibo, one of the most important and progressive cities in the Republic, with a population of nearly 50,000 inhabitants, the Capital of the Zulia State.

The Army of Venezuela, consisting of less than 8,000 men all told, does not afford much occasion for admiration so far as appearance is concerned. A more ragged and ruffianly-looking lot of men than the best of the regiments it would be difficult to match anywhere, not even excepting Hayti and Brazil. Many of the troops are full-blooded or half-breed negroes, and for some years past there has been insufficient money in the Treasury to provide them all with boots. Consequently, more than one-half of them are bare-footed, even some of the National Guards doing sentry duty outside Miraflores Palace, the residence of the President, being thus attired—or, rather, unattired.



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The Port of Le Guayra, showing the U.S.A. North Atlantic Squadron at Anchor

Military service is compulsory for all citizens over twenty-one years of age, but for lack of sufficient material young boys of fifteen and sixteen years of age are 'induced' to join. The term of service is up to fifty years of age. There is an Active Army and a Reserve, and every year Congress appoints what the strength of each is to consist of. The Reserves are comprised of all Venezuelan citizens who form the militia of the Federal District and the States. They are always supposed to be ready for a call to arms, but they do not bear weapons. This is by far the safest course, for a hot-blooded half-breed with a sword or carbine in his hand is a dangerous customer, even among his boon companions.

The Active Army is formed of a contingent from the Reserves, furnished to the Government by the Federal District and States of the Union. All the men serving are comprised in the Active Army, and are subject to the Military Code. The Active portion is divided into land and maritime forces, which depend from the Federal executive according to the provisions of the Military and Naval Codes. Infantry, Artillery, and Cavalry compose the Active Army. There is a Military School for privates and a Military Academy for officers in connection with each battalion, battery, or squadron. The Military Academy of Venezuela now serves as the central military school for all branches of the Service, and all grades of Infantry, Artillery, and Cavalry, as well as the Engineer and General Staff Officers, are received there.

The President of the Republic is Generalissimo and Commander-in-Chief of the Army. He is also the ranking officer of the Navy in times of war. The Navy is a poor thing, and the 'Fleet' consists of about seven old and useless 'men-of-war,' one of which is adapted for use as a nautical training-school. The names of these men-of-war are *Restaurado*, *Bolivar*, *Zamora*, *Tumbador*, *Miranda*, *Margerita*, and *23 de Mayo*. Foreign men-of-war are not allowed to remain longer than one month at any Venezuelan port, but they very often do so, especially when 'blockades' are on.

'For forms of government let fools contest,' sang Pope in his 'Essay on Man,' but it expresses a sentiment which no Venezuelan who respects himself and the traditions of his country would endorse. According to some South Americans, the only game worth playing is that of revolution, and the fact that so many find it unprofitable and a cruel hardship upon others makes no difference. The game goes on, and is played to the last in Venezuela. Each revolt becomes increasingly serious, because it is more bitter and relentless. The risings of 1889 and of 1895 were both very serious, and entailed disastrous consequences upon many innocent people. The troubles

of 1902, of which I saw something, were also costly in human life and national distress.

The cruelties perpetrated upon one another by these Venezuelans are almost incredible, and no Nero could have devised more inhuman treatment than that meted out by the rebels to the Government troops, and *vice versa*. The most extraordinary savagery and relentless tyranny were committed by both sides, as was also the case in Uruguay in 1904. The streets of Caracas were strewn with unburied victims, and no man or woman passing by ventured to offer a cup of water or even a word of prayer to the dying, or lend a hand in burying the dead. The only inhabitants who defied the authorities and insisted upon helping the wounded were the British, among them the Manager of the La Guayra and Caracas Railway Company, to whose care and consideration many an unfortunate wretch owed either his life or at least some Christian solicitude as he breathed his last. The photos which will be found elsewhere afford some slight idea of the scenes which the streets of Caracas and other Venezuelan cities presented during the revolt of the disaffected against President Castro's Government. The most terrible dramas have been enacted in these sun-bathed towns, under the most glorious climate, and amid scenes of unparalleled beauty.

CHAPTER VI

The Railways of Venezuela — Different systems — Features — Tunnels— Bridges—Gradients—The Germans and their investments—Trouble with the Government—President Castro's prompt measures—British Companies—Guarantees and defaults—National and private lines

A GLANCE at the map of Venezuela shows that this Republic is but inadequately supplied with railways. There are fourteen different railway systems, but some of these are so short and disconnected as to scarcely merit the title of 'systems' at all. They have been built mostly by means of foreign capital, mainly British and German. Probably the reason why so few railways have been constructed is the immense natural waterway with which this Republic is favoured, and which affords abundant means of communication in the Southern part of the country. Such railroads as exist are to be found in the North and the Centre of the Republic. The list of railways at present working is as follows :

Puerto Cabello and Valencia.
The Great Venezuela.
La Guayra and Caracas.
Guanta and Narical.
Carenero and Guapo.
Maiquetia and Macuto.
Caracas and El Valle.

The Central.
Great La Ceiba.
La Vela and Coro.
The Bolivar.
The Santa Barbara and Vigia.
The Great Tachira.

The longest of these is the Great Venezuela, consisting of 179 kilometres, and possessing 212 bridges, 86 tunnels, and 25 stations. It serves the sparsely populated rural districts of the Republic, and runs along the high mountain slopes of Las Mostazas ; it also serves the fertile valleys of Aragua and round about the Lake of Valencia, which probably, in the near future, may become of some commercial importance. It is upon this railway that is carried the small amount of produce coming from the neighbouring plantations, as well as that brought through the Valencia Lake and from the plains.

The Great Venezuela Railway is the outcome of German enterprise. The concession was granted to the Grosse Eisenbahn Actien - Gesellschaft, which, assisted by the Discount

Bank of Berlin and the North-German Bank of Hamburg, built and financed the line. By the terms of the first contract, which was granted in 1888, the Venezuelan Government agreed to pay 7 per cent. on £12,800 per kilometre; but three years later a new contract was entered into, by which the Government engaged itself to pay 7 per cent. on a constructional rate of £11,000 per kilometre. The line was finished and opened in February, 1894, and at this time the Government was indebted to the Company for about \$578,525 for the Caracas-Cagua section of the railway, and another \$366,800 for alleged 'damages' done during revolutions and neglect of the undertaking. It is one thing, however, for a Company to claim, and quite another for a Government to pay, damages; consequently, before any settlement could be arrived at, the Company had to enter into a third 'new' agreement, by which part of their claims were satisfied.

Two years afterwards the promoters undertook to issue a loan for the Government of \$10,000,000, bearing interest at 5 per cent., with 1 per cent. sinking-fund. The Government promised to put aside \$600,000 per annum for the services of the loan. Of the \$10,000,000 issued, the German promoters received \$7,200,000 in bonds to satisfy their own claims. But in 1897 serious ructions took place between the German promoters and the Venezuelan Government, which resulted in some German warships being sent to La Guayra to enforce a settlement. But the canny President, General Cipriano Castro, showed himself master of the situation. He consented to settle the matter, but so soon as the warships had turned their backs on the Republic he set himself closely to the task of finding out how he could avoid the fulfilment of his promise. Needless to say, he found a way; but the German warships had gone, and until a later period they did not return. Up to this time the Germans have invested over \$15,000,000 in Venezuela, and all they have been able to do so far is to distribute a dividend of 1 per cent. for 1896, 2 per cent. for 1897, $\frac{1}{2}$ per cent. for 1898, 1899 and 1900, and nothing since.

The next most important railway line, so far as length is concerned, is that of the Great Tachira, which runs from a place called Encontrados, on the Lake of Maracaibo, to La Uraçā, and from which place it is now being extended to San Christobal. The length of this line at present is 115 kilometres, with a gauge of 1'07 metres, which I may also here mention is the gauge of the Puerto Cabello, the Great Valencia, the Guanta and Naricual, and the Central, all the other lines being of various gauges. The Great Tachira runs throughout a comparatively easy country, possessing but three bridges and viaducts, as against the 212 of the Great Valencia and 134 of

the Bolivar Lines. There are thirteen stations, and the line cost \$1,500,000 to construct. The section—Encontrados-Uracá—already referred to, carries a large and remunerative traffic from and to the fertile topographical depression extending from Tāchira to the south of San Christobal. The produce of the Zulia-Calatumbo River is likewise handled by this line.

By far the most important line, although not the longest by any means, is La Guayra and Caracas, an English concern, which has the same directors as the Puerto Cabello and Valencia Railway. This line runs from the Port of La Guayra to the Capital, Caracas, and cost \$4,250,000 to construct. This line, unlike other Venezuela railroads, has no guarantee, and the only consideration shown to them by the Venezuelan Government was freedom from competition for ninety-nine years, and retention of the property in perpetuity. It is not by any means a line which was likely to be doubled, since it runs through a mountainous region, is a difficult and somewhat costly one to maintain, and has more or less responded to the expectations which were formed in connection with it. The share capital is £350,000, of which £160,000 was subscribed for in Venezuela by the Government and Municipalities, and there is also debenture stock to the value of £370,000. The line is $22\frac{1}{2}$ miles ($36\frac{1}{2}$ kilometres) long, on a continuous steep incline, with a maximum grade of 4 per cent. and a minimum radius of curves of 43 per cent., and it takes between two and two and a half hours to make this journey. The gauge is 0'915 metre. There are ten bridges, eight tunnels, and nine stations, and the journey itself is one of the most picturesque and exciting that a railway traveller could possibly wish to experience. Considering the amount of traffic in passengers and goods, the La Guayra and Caracas ought to be a profitable concern; and, as a matter of fact, it has so proved to be. It commenced well, for in 1889, 1890, and 1891 it returned 7 per cent., but in 1892 it paid nothing. For the seven years to 1899, 5 per cent. was paid; for 1900, 4 per cent.; 1901, $3\frac{1}{2}$ per cent.; 1902, nothing; and 1 per cent. for 1903; but the increased receipts for 1904, amounting to £8,796, enabled the Directors to pay an interim dividend at the rate of 4 per cent. in January of this year, and a balance of 5 per cent. in May, thus making $4\frac{1}{2}$ per cent. for the year. The line passes through an important centre of over 100,000 inhabitants, and carries all the traffic between the Port and the Capital, as well as that of the other railroads which terminate there. The following particulars of the height to which the La Guayra Railway climbs, and then again descends, before it reaches the Capital will be of interest:

Station.	Heights above Sea-level.		Station.	Heights above Sea-level.	
	Metres.	Feet.		Metres.	Feet.
La Guayra ...	1'82	6	Pena-de-Mora ...	698'21	2,295
Maiquetia ...	15'24	50	Ojo-de-Agua ...	690'67	2,267
Riucon ...	91'44	300	Cantinas ...	884'53	2,903
Tunnel No. 1 ...	203'91	669	El Chorus ...	881'18	2,892
Curcuti ...	600'76	1,971	Catia ...	954'93	3,135
Tunnel No. 2 ...	401'11	1,316	Agua Salud ...	919'89	3,020
Zig Zag ...	467'25	1,533	Caracas ...	909'02	2,984
Boqueron... ..	618'12	2,029			

Puerto Cabello is the second important port, while Valencia is the second most important city, in Venezuela. It is the terminus of the different routes leading to the great sugar region of Nirgua, while it also serves the extensive coffee plantations which lie to the south. The railway rates are about 5 bolivars (4s. 2d.) for 100 kilometres. Valencia is also a market for live-stock, which is exported in great quantities from that city to Puerto Cabello. The latter is a city of about 15,000 inhabitants, and has one of the finest natural harbours in South America. The harbour has been gradually improved, and can accommodate several large ocean-going steamers at the same time, the loading and discharging operations of which are greatly facilitated by the machinery and appliances in use. Probably Puerto Cabello will become more important than La Guayra in course of time, more especially as President Castro is greatly in favour of making it the first port in the Republic.

The city of Valencia is about 54 kilometres from the port, and 500 metres above sea-level. The Puerto Cabello and Valencia Railway is an important line connecting up with the German line at Valencia. It is well constructed, and serves a fertile and improving district. The Railway is owned by a British Company, as, as previously stated, is the La Guayra and Caracas Railway. It, however, 'enjoyed' a guarantee of 7 per cent. per annum from the Government (when it could get it) on a total share and debenture capital of £820,000; but in 1891 the shareholders agreed to the Government reducing the rate guarantee to 5 per cent. The capital consists of £460,000 in shares and £360,000 in debentures, the Government subscribing £160,000 of the former, while the contractor for the works took the remainder. The debentures are held entirely by the public. The line is 34 miles (say, 54 kilometres) in length, the gauge being 1'07, the maximum grade 8 per cent. Part of the system, extending for 4 kilometres, is built on the cog-wheel principle, owing to the



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Boqueron, showing the line belonging to the La Guayra and Caracas Railway Co.
Height above sea-level, 2029 feet

steep gradient. The minimum radius of curves is 95 metres, and there are some twenty-three bridges and viaducts, one tunnel, and six stations. The Government defaulted in its agreement to pay the guarantee in 1891, but it paid £107,100 of the amount due last January. The Government, however, still owes the Company some £124,000, under the award of the Anglo-Venezuelan mixed tribunal Commission. Although the Republic is in arrears on its External Debt of 1881 to the amount of £500,000, and on its Five Per Cent. Loan of 1896 to the amount of another £550,000, there seems every chance of its indebtedness to the Railway Company being liquidated. Pressure was brought to bear by the Governments of Germany and Great Britain, supported by that of Italy, in 1903, when, on the pretext of redressing the wrongs of certain of their citizens, the combined Powers sent warships to blockade the Venezuelan ports. This brought President Castro to his senses—for the time being—and Protocols were signed at Washington providing for the settlement of the claims and others for arrears of interest, the Government at the same time promising to settle its external debts, the principal of which amounts to £4,571,167, and interest £1,047,558. At the present time Venezuela is in debt to almost every European and some American nations, including Great Britain, Germany, Italy, France, Spain, Sweden, Belgium, Holland, and Mexico. None of these countries has as yet received payment in full. The claims of Great Britain, Germany and Italy are being rapidly liquidated, while the claims of the other countries will rank for settlement only after the three Powers mentioned have been paid.

The La Vela and Coro Line carries fairly large freights of coffee and hides, and is 13½ kilometres, while the Guanta and Narical Line of 36½ kilometres is practically a mineral line, carrying the products of the Narical mines and of the valleys of Narical, Caripicual, and Aragua.

The Great La Ceiba, which is 90 kilometres long, is one of the three lines which conduct to Lake Maracaibo from the east; its terminus is at a place 9 kilometres from Valera, which is the commercial centre of a large and rich region lying between Merida and Tocuyo. The Encontrados and La Urucá, which, as I have already said, is being extended to San Christobal, carries a large amount of traffic in agricultural produce, cattle, and mining products, while the Santa Barbara and El Vigia Line, which is 60 kilometres in length and has a gauge of 1 metre, was originally intended to run to Merida, but has not yet reached that destination. It is rather an important line, however, and has thirty-seven bridges and viaducts, three stations, and a maximum grade of 2 per cent.

The rolling-stock of all these railways is not remarkable for its modernity or its capacity. The most comfortable passenger carriages are found upon the two British lines—the La Guayra and Caracas and Puerto Cabello and Valencia Railways—but all the lines combined possess between them only about 90 locomotives, 125 passenger cars, and between 580 and 600 freight cars.

Running a railway or any other big enterprise in Venezuela under the present régime is by no means a facile or a pleasant undertaking. The ruling President has curious ideas, and does not hesitate to put them into practice. So long as he was merely Dictator this was comprehensible enough, but when he took the oaths of office as Provisional and then as full President he bound himself to observe the established laws of the country. I regret, however, to say he has on numerous occasions violated these, and he has not hesitated to resort to brute force when argument failed.

The most serious trouble that has ever arisen, and for which the Venezuelan Government has had to pay smartly, was the interference with the Germans, who forthwith invoked the policy of the 'mailed fist,' and, as will be remembered, with some effect. For years the Caracas-Valencia Railway, which, as I have before stated, is a German enterprise, has been the object of the President's personal dislike and animosity. The trouble began as long ago as 1901, when the country was undergoing one of its periodical Revolutions—this time at the instance of General Matos. The Government requested the Railway Company to make arrangements for the transportation of some hundreds of troops to meet and repulse the Revolutionary leader. The Company firmly, but politely, demanded a settlement of its claims, long outstanding, as a preliminary, and cash down as a secondary, consideration before consenting. The President refused. The Company remained obdurate. The President waxed wrath. The Company still persisted. General Castro then threatened to put the Company's officials in prison unless immediate arrangements were made and the troops duly carried. Still the Railway Directors declined. Then the President not only seized and held as a prisoner an engineer of the railway company, one Señor José Gregorio Sanchez (who, being a Venezuelan subject, was considered by the President as fair game, and reckoned as quite outside the pale of International interference), but he stopped the whole of the railway traffic, holding up the entire line for several days. In the end, a compromise was effected, but compromises seldom afford satisfaction to either party, and this one proved no exception. It was arranged that the railway company should formally admit its obligation to transport the Government

troops and war material, while the Government agreed to pay compensation to any employees who were injured, or to their relatives if they were killed. Later on the Government found the necessary money to pay for the troops' transportation by the simple, if somewhat unusual, expedient of just filching it from the Bank of Venezuela—a native and therefore an unresisting concern. But the German railway company's outstanding debt remained unpaid, and remains so to this day. The Venezuelan Government owes the Company £17,257 1s. 1d. for arrears of interest, and £3,802 8s. 11d. for bonds drawn for redemption, making a total of £21,059 10s.

There can be no question that the German railway company, which was then represented by Herr G. Knoop, were perfectly within their rights when asking for payment of heavy arrears of debt, amounting to 584,490 bolivars, and also when demanding some guarantees for reasonable compensation for their officials and passengers in the event of their trains being attacked by the Revolutionists or injured by the Government troops, the one being just as probable as the other; for the Venezuelan soldiers, when they shoot, let fly at anything or anybody without the least discrimination. It was obviously the duty of the Company, therefore, to watch over the interests committed to their care, and to guard against any such accident as might destroy a great portion of their line and endanger the traffic.

President Castro, however, declined to accept any such view, and that he could be as good as his word when he threatened to 'gao!' any refractory individual, whether he be a native or a resident foreigner, may be gauged from the recorded seizure of the engineer, as well as the following little incident, for the accuracy of which I can vouch.

One of the Venezuelan Telephone Company's operators having failed to respond to the call of one of the President's household sufficiently promptly to please that lady, an armed body of police attended the office, demanded the name of the individual responsible for the delay, and, having found him, bore him off to prison, where he remained without trial for five days. He was then released.

On another occasion the President sent word to the long-suffering Bank of Venezuela that he required a certain sum of money. The bank had none, or so it declared. The next act in the comedy was a military visitation, the seizure of the entire staff of officials, and their introduction to the interior of the State prison. There they remained until the money was found, which took exactly ten days. It would seem that the summary proceedings of the delectable King John of our own fair realm, in extracting the Hebrews' teeth in default of their providing funds for the Royal household, have been

matched and even excelled in this extraordinary Republic. Gilbert certainly never conceived anything more intensely comical—to all but the sufferers. There are several British residents in Venezuela to-day who will well recollect the incidents I have recalled, and which may serve to prove that in dealing with the President of Venezuela one is treating with no ordinary person, a fact which the Great Powers are finding out for themselves.

Within the past few months another Venezuelan railway enterprise, conducted with British capital, has been entered upon. This is the completion of a line to Santa Lucia and Cua from the Capital of Caracas, which has already been commenced. The distance is only a short one, and the total capital of the Company—known as the Venezuelan Central Railway Company, Limited—is £200,000.

The Bolivar Railway Company changed hands in 1896, having been taken over by the present Company from the Quebrada Railway Land and Copper Company, Limited. The line is 55 miles long. The Company has suffered much pecuniary loss from Revolutions in Venezuela, but the accounts for the year ending June 30, 1905, show a distinct improvement, on the whole, since the preference shares get a dividend of 3 per cent. for the first time. This is apparently the result of the Anglo-Venezuelan Claims Commission agreement. But for such payment, debenture interest would have been in default.

The Venezuela Central Railway Company, Limited, which is also a British-owned concern, has existed since 1885, and works a railway from Caracas to Santa Lucia, and thence through various towns, including San Mateo, to Valencia. When completed, the line from Caracas to Santa Lucia will be 33 miles long, but only about 20 miles are open to traffic at present, the remainder being still under construction.

The Venezuelan Government owes this Company considerable sums in regard to both unpaid interest and redemption, the lines having been previously guaranteed by the Government, which guarantee, however, was subsequently surrendered.

CONCLUSION

'Let us hear the conclusion of the whole matter.'—ECCLES. xii. 13.

British influence in South America—What it has really effected—What it has yet to do—British Trade and Commerce—The regeneration of the South American Republics—Spanish newspaper tribute to British influence—The making of trade—British Consular Service—The Foreign Office and British Consuls—American and British Consular Services compared—Consular Committee of 1903—The conclusions arrived at—What our Consuls need and are asking for

If I am asked to what principal conclusion my experiences in the 'Five Republics' have led me, I would say the conviction that the gradual growth of British influence in South America should spell their regeneration.

Underlying the petty native jealousies and the not infrequent outbursts of spiteful criticism levelled against British interests, there exists in the different States of South America the knowledge that British brains, British money, and British *esprit de corps* have loomed largely in the building up of these countries, while, to use the expression of a sympathetic Spanish newspaper published in the Argentine, and not usually given to praise of its foreign residents, 'This great civilizing power has left upon us a deep and lasting impression, clearly recognisable.'

This is only the truth, but it is something to have secured admission from such an unusual quarter. Our language and our literature are spreading throughout the South American Republics day by day. Many of the best people in Brazil and Chile, as in the Argentine and Uruguay, speak our tongue, and cause it to be studied by their children, while those of our countrymen and countrywomen who visit these lands may ever depend upon a friendly and a courteous reception. Our capital and our trade have brought about this magic influence, and upon their continuance and expansion it must for ever depend. That Great Britain leads—and leads easily—in the matter of trade with the South American States is proved by the

following official figures for 1904. These figures represent imports:

1. Great Britain	...	...	\$120,000,000 =	£24,000,000
2. Germany	...	...	\$54,000,000 =	£10,800,000
3. United States of America	...	...	\$51,000,000 =	£10,200,000
4. France	...	...	\$35,000,000 =	£7,000,000
5. Italy	...	...	\$24,000,000 =	£4,800,000
6. Spain	...	...	\$8,000,000 =	£1,600,000

In exports Great Britain comes first, Germany second, and the United States of America third. In the brilliant fortunes of South America during the next century Great Britain's trade and commerce should play an important—nay, a pre-eminent—part. What are we doing to maintain it?

Are we availing ourselves as much as we could and should of our Consular Representatives in South America and of the invaluable services which they might, and alone can, render us? I think not. And I will try and indicate briefly why.

After an experience ranging over nearly a quarter of a century, and which has been garnered in every corner of the world, I have come to the conclusion that the British Consular Office needs a great deal of revision in regard to the treatment meted out to, and the choice of, its representatives abroad. It is only necessary to compare the class of man and the work which he does with the officials employed to represent the trading interests of the United States of America to arrive at the conclusion that we have nothing to learn from their Consular Office system, except in the fulness and completeness of their Statistical Reports.

More depends upon the ability of the British Consul and the completeness with which he carries out his duties than the commercial world at home have any idea of, and the faulty services rendered are attributable more to the System and the indifference of the Foreign Office than to any shortcomings upon the part of its Representatives.

I have always considered it advantageous in my travels to make an early acquaintance with the Consular Representative of my country, and, taking all my experience together, I should say that a more capable body of men do not exist than the corps of British Consuls and Vice-Consuls. The unfortunate fact is that in nine cases out of ten their ability is simply and wantonly wasted, for, so far from being encouraged by the Foreign Office to put their experience and powers to the best use, they are time and again snubbed by some minor official at home, whose duty it apparently is to supervise the Consular Reports from abroad. The penny-halfpenny and twopenny blue-covered pamphlets which are issued tumultuously by the

Foreign Office printers are, in numerous instances, perfectly useless, and compare most unfavourably with the excellent publications of a similar nature which are issued by the Bureau of Statistics at Washington, U.S.A.

It does not seem to occur to the Foreign Office that if a report is worth publishing at all it is worth issuing in its entirety. Either the Foreign Office clerks charged with the duty are too lazy to supervise the manuscript or they are too ignorant of what the British commercial community requires; or, again, they are too much under the thralldom of red-tapeism to do their best in regard to these Reports. I have conversed with British Consuls in every part of His Majesty's dominions, and many have informed me they could and would make their Reports much fuller and much more statistical but for the strict printed injunctions which they continually receive from the Foreign Office ordering them to keep down 'to the most meagre dimensions,' and 'to offer facts only and no opinions.'

As a proof of this I have been shown press copies of Reports which have been sent to Downing Street, and have been invited to compare these with what has actually been published in the printed Report sent out by the Foreign Office. In many cases what has been ruthlessly and ignorantly struck out would have proved of the utmost value to the commercial community, whereas what has been allowed to appear has either been trivial or superfluous. There seems to be no recognised system prevalent at the Foreign Office of dealing with these Reports, everything being left to the 'discretion,' which is frequently woefully lacking, of the minor officials. What our Consular Service actually costs the country every year I do not know, but this I can say: many thousands of pounds might be spared in one direction to be well laid out in another, if only our Home Officials knew what they were doing.

I have encountered Consuls and Vice-Consuls of long years' standing, who, disheartened and sickened by the snubs received from the Foreign Office, have sent in mere skeleton Reports at specified periods, as they are bound to do, but which, if published, could prove of little or no use to anyone. For these services they receive annual salaries ranging anywhere from £800 to £1,500 for Consuls, and from £200 to £400 for Vice-Consuls. On the other hand, I could indicate by name some score of hard-working Vice-Consuls and Trading Consuls who give up a large portion of their valuable time to the compiling of statistical Reports which never see the light, and for which, if published, they would not receive one-pennyworth of compensation.

I remember at this moment one Consul who receives a salary of £800 per annum, but who has not for the last seven

years made any report to the Foreign Office; and yet he represents a most important seaport, from which are exported goods to the value of several millions of pounds annually.

All this suggests that the Consular Service should be organized in a more intelligent and useful manner, and one of the most important innovations should be the employment of Travelling Inspectors of Consuls—that is to say, officials appointed by the Government, whose duty it should be to visit all our Consular stations at some time or other during the year (unexpectedly for preference), and who should personally inquire among the commercial community how far the particular local Consul carries out his duties to their satisfaction and to the credit of his Government at home. I feel sure, with the excellent material ready at hand, that with more encouragement British Consuls abroad could be rendered infinitely more useful to British trade and commerce than they are to-day.

On occasions the actions of the Foreign Office are inexplicable. Of recent years British trade has made rapid strides in Mexico, as in all other parts of America, North and South. At a moment when every encouragement and assistance should be afforded by the British Government to maintain this state of affairs, the muddle-headed officials have abolished the British Consulate at Mexico City, and have established instead a Vice-Consulate attached to the Legation. On the other hand, and as a foil to this retrograde action, the German Foreign Office has just established a German Consulate-General at Mexico City, with a salary of £1,500 per annum, and the French Government has separated the Consulate from the Legation, and has made it independent. The United States have a Legation, a Consulate-General, and two Vice-Consuls at Mexico City.

In the month of June, 1903, a special Commission was appointed to inquire into the constitution of the Consular Service. Unfortunately, the Commissioners seemed to be more concerned about the advantages arising to the Consuls themselves than the immediate benefit which the trading and commercial interests of the Nation would derive from their services. But this is the way of Commissions. 'It is our opinion,' said the Commission, 'that the general Consular Service as it at present exists offers no attraction to capable young men.' The Report went on to say: 'Men who are new to the Service may be given appointments over the heads of others who have been there for many years before them.' This is true enough; but instead of merely saying '*may* be given,' had the statement been altered to '*have* been given' it would have been truer still.

The Commissioners strongly recommended that the present system of nomination and age-limits for the general Consular

Service should be abolished ; that admission into that Service should be by limited competition, and that the age for admissions should be raised from twenty-two to twenty-seven. These limits, it was suggested, would enable candidates to compete who had both a University and a commercial training. All these recommendations are sound—as far as they go ; but they do not go nearly far enough and prove one thing only, and that is how little the Commissioners and those who appointed them knew the actual requirements of the Consular Service and the crying complaints of the officers who compose it.

The fact is the United Kingdom has not yet realized that the whole great future of British Trade depends upon the knowledge of what our rivals are doing. The Americans realize this, and a better idea of trade matters in the United Kingdom exists in the United States than in our Colonies or this country itself. This arises from the splendid services rendered by the American Consuls abroad, whose reports are as full of British Trade returns as those relating to their own country. And a wise home Government has just decided to further encourage its Consuls' efforts by increasing their salaries by 50 per cent., allowing considerably longer terms of office, and bestowing promotion according to merit. How different is this treatment to that meted out to British Consuls abroad—who are humbled, discouraged, or neglected from year's end to year's end by the Foreign Office. The sufferers are as usual the long-enduring taxpayers and the unfortunate trading classes of the country.

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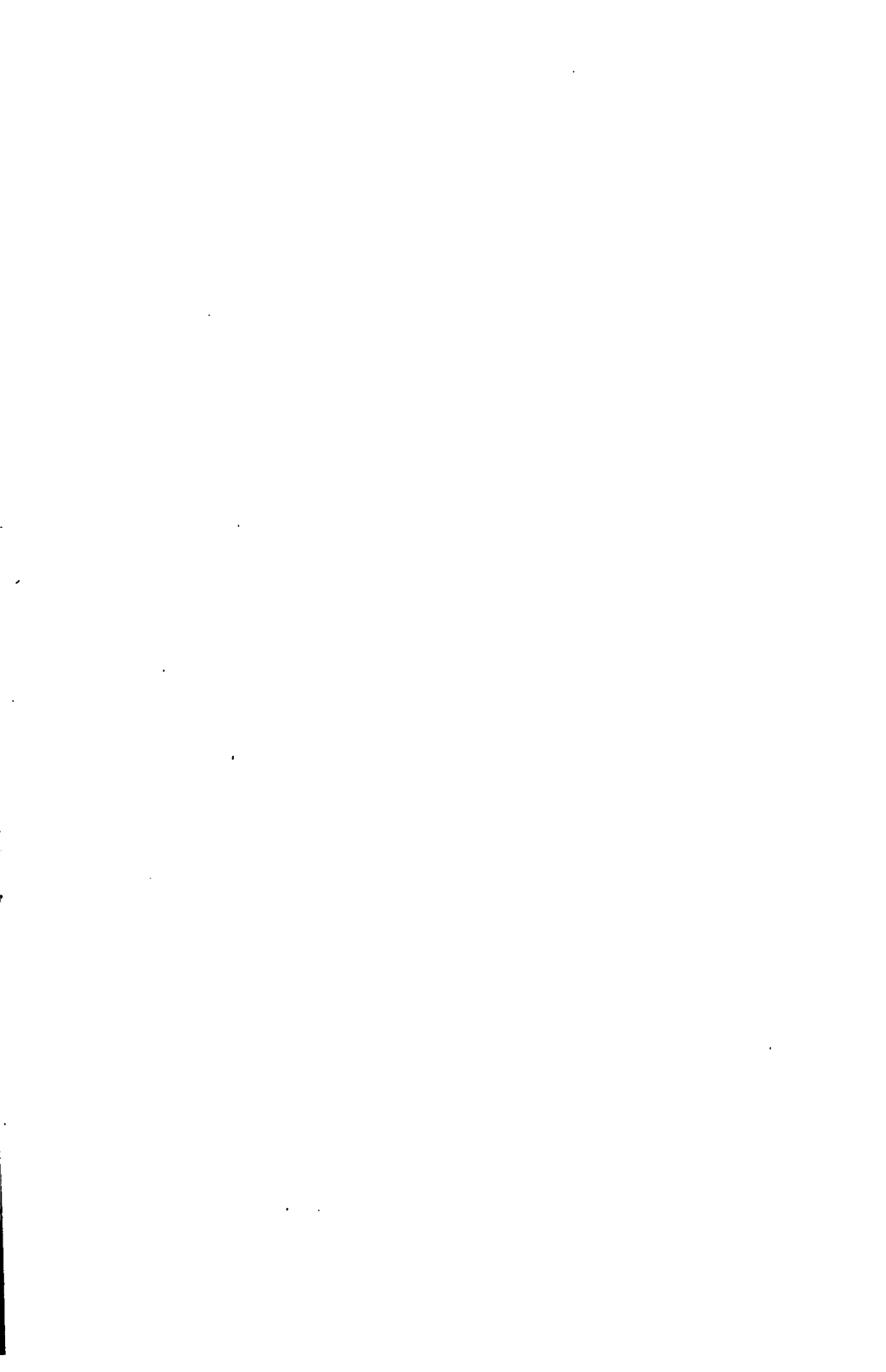
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